

COMMITTEE ON CANTEENS AND REGIMENTAL INSTITUTES.

497
MINUTES OF EVIDENCE

TAKEN BEFORE THE

COMMITTEE

APPOINTED TO CONSIDER THE

EXISTING CONDITIONS

UNDER WHICH

CANTEENS AND REGIMENTAL INSTITUTES

ARE CONDUCTED.

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CANTEENS AND REGIMENTAL INSTITUTES.

COMMITTEE

ON

CANTEENS AND REGIMENTAL INSTITUTES.

FIRST DAY.

At the War Office, Pall Mall.

Wednesday, 2nd April 1902.

PRESENT:

THE EARL GREY, *President.*

GEORGE HARWOOD, Esq., M.P.
Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE, A.S.C.

Colonel J. A. LAMBERT.
Major L. A. M. STOFFORD, D.A.A.G.
Captain F. C. BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary.*

Lieut.-Colonel FRANCIS COLEBROOKE FARMER, R.A., called in and examined.

*Lieut.-Col.
F. C. Farmer.
R.A.*

2 April 1902.

1. (*President.*) I understand you have been selected by the General Officer Commanding the District, to give evidence to the Committee with reference to the canteens and regimental institutes in your district?—Yes.

2. The Committee would be obliged to you if you would make a statement upon the subject?—I have not prepared any written statement, and I have not known what sort of statement the Committee requires or what particular points they wish me to make a statement about. I, myself, am president of a large canteen at Woolwich with a turnover of from about 4,500*l.* to 5,000*l.* a month. It is a very large business. We deal with the leading wholesale dealers in London, and also locally, for perishable articles of produce like vegetables and milk, and things required from day to day, from local men. Our profits, especially on dry goods, we try to keep as low as possible so as to give the full benefit to the men. So far as the working of the canteen goes, all the employees of the canteen are pensioners; they are on different rates of pay according to their responsibility. I have an assistant manager, a man who, of course, is responsible for large sums of money, and who is paid 200*l.* a year, and they go down to 23*s.* a week.

3. I understand you manage this canteen in the interest of the soldier?—Entirely in the interest of the soldier.

4. You do not lease it out to a tenant?—No.

5. It is the regimental system?—It is a regimental canteen, but I do not know that there are many others run on quite the same lines as ours. If I may express an opinion at this stage, I think, of course, that every commanding officer's first object should be to get rid of the soldier employé; I should think that that is quite the universal opinion. It has been my fate to assist in various courts martial arising therefrom, and I think

the employment of a soldier in the canteen is a most unfortunate thing. It is always turning out unfortunate.

6. You employ, as I understand, old soldiers?—We employ old soldiers, pensioners, in this particular canteen. I do not know whether this is quite the time to express any private opinion, or whether you would wish me to continue with the account of my own canteen?

7. We should prefer you to continue the account of your own canteen?—Then I will continue it before I express any opinion. I think it is a great advantage to purchase locally vegetables and milk and such articles of consumption, because I think in order to obtain the greatest benefit for the soldier it is a great advantage to have competition. I think competition is everything. Speaking for myself I try always to keep two men at least to supply each article of any considerable demand. For instance, take a thing I use largely; I use about a ton of potatoes a day. I generally try and get hold of two men and run one against the other for competition. If one man sells me potatoes falling off, I drop him and try the other. The only way to get the best results is to have competition, and that I do with almost every class of goods of that sort. In the same way I have two brewers. We employ a great number of brewers. The sergeants' messes, I should say by the way, are allowed to choose mostly their own brewers—whatever they fancy.

8. Have you anything to do with the sergeants' mess?—We supply the sergeants' mess. According to regulation they are not allowed to purchase any beer, except through the canteen. If the sergeants' mess particularly want some sort of beer they apply to me, and I order it for them; they settle with the canteen; and in that way we are a sort of middleman really to the sergeants' messes. We make no profit out of sergeants' messes; we pass it on to them; but we do all the business transactions for them.

*Lieut.-Col.
F. C. Farmer,
R.A.*

2 April 1902.

9. What number of men have you in your canteen?—We have 57 employes, distributed between the main canteen and four branch canteens.

10. 57 employes for one central canteen and four branches?—One central canteen and three branches.

11. And how many soldiers does it cater for?—It really represents nearly the strength of the Woolwich Garrison, except the infantry.

12. There are no other competing canteens against you? You have a monopoly of the service of the soldiers in this district?—Practically. The infantry have a canteen of their own, but we supply the whole of the Royal Artillery, who are about 5,000 strong. We also supply part of the Army Service Corps. There is an Army Service Corps canteen, but we also supply the Corps.

13. The point that I wish to arrive at is—are there any other canteens in your district under other management than yours?—Yes; there is the Army Service Corps canteen, and there is the Infantry canteen. Ours is practically the Royal Artillery canteen.

14. With a turnover you say of 4,000*l.* a month?—It is never less than 4,000*l.*; I think 5,200*l.* has been my highest.

15. What proportion of that is for beer and alcoholic liquors and what proportion for other articles?—About 800*l.* is for beer and alcoholic liquors.

16. Perhaps you would be able to put those figures in?—800*l.* is correct.

17. Have you calculated what the average takings per man of your district is, at your canteen?—About 25*s.* a man.

18. What profits do you make out of your canteen?—Altogether, including deducting payment of wages, about 12½ per cent. profit.

19. On the whole turnover, including beer?—On the whole turnover, including beer, after paying every thing.

20. What percentage on beer?—I happen to have just dotted down here the percentages on beer and other goods for twelve months. This is how it corresponds:—Beer 65 per cent., other goods 15 per cent.; beer 70 per cent., other goods 15 per cent.; beer 66 per cent., other goods 17 per cent.; beer 65 per cent., other goods 17 per cent.; beer 68 per cent., other goods 18 per cent.; beer 64 per cent., other goods 16 per cent.; beer 66 per cent., other goods 20 per cent.; beer 68 per cent., other goods 16 per cent.; beer 65 per cent., other goods 17 per cent.; beer 67 per cent., other goods 18 per cent.; beer 67 per cent., other goods 15 per cent.; and beer 63 per cent., other goods 14 per cent. That brings an average of 66 per cent. of beer for the month, and 17 per cent. for other goods. If you deduct expenses it brings the profit on other goods down to about 4½ per cent., and on beer down to a net percentage of about 54.

21. (*Major-General Eaton.*) The profit on beer is an average of 54 per cent. a month, is it?—Yes; after working expenses are paid. And the working expenses for the year 1901 were 12½ per cent. on the cost of the goods.

22. Will you tell me, do you sell the beer at a higher price than you pay for it?—Yes, we have to make a certain amount of profit. There, as I was telling you, we make 54 per cent.

23. What price do you pay for the beer—ordinary beer?—22*s.* a barrel.

24. And who supplies it, and the price at which it is sold?—Our principal brewers are Nicholls and Strong, they are the two principal brewers for the men. In the main canteen we sell about 400*l.* a month of Nicholls' beer. We also deal with the Kirkstall Brewery, the City of London Brewery, and a number of others; but I will make a note of that.

25. (*President.*) Where is the beer supplied; do you supply it in the coffee shops, or in the institutes, or only in the canteens?—It is all under the same direction; all beer supplies are from the main canteen to the regiment.

26. Do you sell beer to be taken off the premises? May they take it away with them?—No, that is strictly against order.

27. They must drink it in the canteens?—Yes, except married families.

28. Are they limited in any way; what are the rules for supplying beer?—There is no limit to the quantity they have, except that we have a non-commissioned officer always on duty in the canteen to see that no drunken man is supplied, and that no man is allowed to have too much.

29. Has that non-commissioned officer any interest in pushing the sale of drink?—None whatever; he is put on duty by the week, on weekly canteen duty, sometimes from one battery and sometimes from another.

30. Are the takings for drink pretty steady, or do they vary from week to week?—They are extraordinary steady. Upon the whole the takings vary very little. I was looking the other day, out of curiosity, and making the remark of the extraordinary regularity from month to month, and almost on the same days in the month; they vary only about 1*l.* They vary very little really. And the same with dry goods, the trade seems to be extraordinary steady, except when a battery is going away marching out. And about Christmas time there is an increase.

31. (*Major-General Eaton.*) But this man is not a pensioner. I thought you said you only employed pensioners?—Yes, this man has nothing to do with the canteen proper. He is like a sort of military policeman to keep order.

32. (*President.*) But I was speaking of the man who sells out the liquor; do I understand you rightly to say that you change him every week?—No, not the man who serves out the liquor. I understood you to ask me what precautions we take to see that the men got their proper quantity.

33. Yes, that is the question?—That is a special non-commissioned officer put on duty simply to keep order in the canteen. It is the duty of such non-commissioned officer to see that no drunken man is supplied with liquor, and to report any irregularity. Of course the same orders apply to our own employes, that they do not serve drunken men; but still there are certain non-commissioned officers there whose special duty it is to keep order.

34. But can the man behind the bar have any interest in pushing the sale?—No, none whatever.

35. Have you ever had a case of a man receiving a commission on the sale of beer?—None has ever come to my notice.

36. Do you take any security to provide against that possibility?—None; I have the thing practically in my own hands. I got a reduction in the beer the other day on account of one man; the trade was so large that I appealed to the brewer and, in consideration of the large quantity, tried to get a small reduction per barrel. That was done quite off my own bat; it had nothing to do with anybody else but myself.

37. But it might be the interest of the agent of that brewer to increase the consumption of drink at your canteen?—He cannot; it is quite out of his power to affect the consumption of beer at the canteen.

38. Except by dishonest methods?—Exactly; but the men are allowed to select their own beer. I have numbers of travellers and others who come to me personally, who wish me to try other beers; and in the same way with dry goods, I have men constantly coming trying to induce me to try others. It rests entirely in my hands whether I do. If my particular manager has a fault it is that he will not make a suggestion. It is a fault on the right side of course. There is no danger, I am quite certain, of my manager doing any such thing; he is a remarkably honest man. He is an old soldier; he has been about 19 years there; at any rate his fault is not in the direction you might imagine possible.

39. (*Major-General Eaton.*) But he can make no profit in any way?—No.

40. He is simply paid a wage?—Yes, and every cheque is signed by me and I know what it is for, and I see the articles and they are sampled in my presence.

41. (*President.*) And it is his interest rather to keep a control over the sale of liquor—to keep back the sale of liquor rather than to push it?—He never expresses an opinion, he has no interest whatever in it; he is paid 200*l.* a year, and he has no interest whatever in the business except to make it pay in a way. He takes great interest when the canteen is doing well—if we have a good month and so on—and he is always ready to

assist as an assistant manager should, but I say he has really no personal interest in the canteen and he cannot have any.

42. He can refuse, I suppose, to serve a man with liquor if he thinks he has had too much?—I am talking of the manager.

43. Yes?—He does not go into the shop or bar at all. He is not there at all. I am talking of my assistant in my office, the headquarters of the canteen. He is my chief accountant and assistant manager. He goes round the place every morning and takes orders. I have different departments. I have a store department and a retail department, each under responsible managers, and my head man goes round every morning to see what orders are necessary. He goes to the head storeman to see if he is running short of cheeses, or whatever it may be, and then comes to me and says, so much more is wanted, we are running short of so-and-so. Then I get samples in and get a fresh stock in.

44. You make all the contracts yourself?—Yes. When I say contracts, I do not make any contracts at all, but I make purchases.

45. A member of the Committee wishes me to ask you, do you consider that it interferes with your military duty to have so much commercial work, such as looking after canteen contracts?—It does not affect my military duty. I manage to find a certain time that I have. I will not say that it would not interfere with others; I have a certain time at my disposal in the mornings which I can give to the canteen, but I would not answer for any other officer. It just depends. If I went away and left the station and another lieutenant-colonel had to take it up, it might interfere with his duties very seriously. I can only answer for myself; but I am able to give the time to the canteen, as I have an especially competent staff, otherwise I could not attempt it.

46. To go from your manager to the man in the canteen who serves out the liquor; what do you pay your barmen who serve out the liquor?—The lowest rate of pay is 1l. 3s. a week.

47. And what are their instructions as to selling soldiers beer?—They serve out the beer as the men come. We have the ticket system, if that is what you mean. We have, in every bar, a man in a box, and the men buy tickets from him; and they only receive tickets across the bar—no money passes. These men are entitled to give men beer like any ordinary tradesman; and there is the head man who is in charge. As I was mentioning, there is a head storeman, a head man in the retail department, and also one responsible head man over the bar department.

48. Do they serve out beer as a matter of course to everybody who asks for it, or may they exercise a discretion?—They are not allowed to serve drunken men; but beyond that any man who comes in and asks for beer is entitled to have it.

49. And unless a man is really drunk, he has a grievance unless the man serves him with beer?—If a man comes in sober and pays his money he is entitled to have his beer.

50. Then this man who serves the beer has nothing to do with the purchase of it?—Nothing whatever.

51. And no money passes through his hands?—No, no money at all. In fact, these barmen are always changing; the hours are rather late, and it is rather difficult to get them. Of late it has been better. In the main canteen I have 10 men employed really in the sale of beer—what with potmen and head barmen.

52. Do you find that your canteen gives satisfaction to the men for whom you cater?—So far as I can ascertain, I think it does.

53. Do you think that the system that you are carrying on at Woolwich is better than leasing out these canteens to tenants?—I do not know that I understand what you mean by the tenant system. I am not exactly in favour of a man like a tenant, who has any interest in the profit, having the canteen.

54. What is your objection to that?—His principal interest must be his own, to begin with; the soldier's interest cannot come first, otherwise he would not take the thing at all. He does not take the thing simply for love of the British soldier; he takes it in his own interest, it stands to reason. To begin with, the first thing is of course to get the soldier out of the canteen, and that is the worst of all.

55. You mean the soldier employé out of the canteen?—Yes, the soldier employé. That is the cause of a great deal of mischief in every possible way, and it is productive of a great many courts martial. I speak particularly for my own regiment, where the battery is a very small community. If you are running a canteen coffee shop, to make the thing a real success you want to put in your very best non-commissioned officers and very best men to run it. You have not so very many of those very best men, and you want them on parade. Some men are fortunate or unfortunate enough to have some born grocers in their batteries, and they get on very well; but as a matter of fact you cannot spare your best men for that work, and if you do not put in your best men, it is a difficult thing to make the thing a success; and it only produces crime if you do not put in your best men. So that, particularly in a small community like a battery, the coffee shop is a great anxiety.

56. To go back to the point as to the advantage of your system as against the contract system, what else have you to say?—I think that the contract system, where the people who have the contract put in their own paid men, who have no interest in the profits, may answer very well, which would be somewhat similar to the system which now obtains at Woolwich, if you understand what I mean. There is a great deal of difference between handing over the canteen to a man like Dickeson, and handing it over to a number of officers—a Headquarters Committee of Officers—who buy and distribute to these various canteens, and have certain employés in the same way as I have my pensioners, who are not interested in the profits; because I do not think that a man who has any interest in the profits is a man who will do his best for the soldier, for the simple reason that I do not think it is in human nature that he could do so. Under the present system, as I say, with an officer buying for the canteen like I do, my manager has no interest otherwise than doing the best he can for the men. If I handed over my canteen to Dickeson, I should have to buy all Dickeson's things. Some of his things are good, but some of his things are not as good as I could get locally. If you deal with one man he will put in all his own things, of course. Dickeson comes to me constantly. He came to me the other day to ask me to buy his butter. I said, "I do not see much advantage in going to you for butter; I go to so-and-so for my butter; I should not be surprised if you do the same." He said, "Yes, I do." I said, "What is the use of my going to you for it, then?" There is another thing that makes a great deal of difference—the size of the business. If I had a little battery canteen, I would rather have anybody take it than take it myself. When you have a big business like this, which deals entirely with wholesale importers and big dealers, it is quite a different thing again. I can afford to buy largely, wholesale, and the trade will do almost anything for me; I can put any pressure on them that I like. Supposing it was a little battery spending about 20l. a month; who wants my business, or what will they do for me? Of course, when you ask me a question like that, it is a question that every Commanding Officer will give you a different answer to, because his own experience depends entirely on the size of his business. I command the market, and the other people are entirely different. They all wish to deal with me. Here is a local dealer in potatoes; it pays him positively; he tells me it saves him 10s. a ton with his potatoes to come to me, so that he has not to cart them up to London. I try to split the difference with him and drop him 5s. a ton for his potatoes. If I had to go to Dickeson, he would send me down potatoes from London, and they would not be so good. So it really depends entirely on the size of your business how far it would be an advantage to have a middleman to take over the stock. I am quite certain that in the Woolwich canteen I should be a distinct loser by handing over my canteen to anybody else. But that is on account of its size; and I am perfectly independent of anybody.

57. The soldier has the security that he gets the very best article at the lowest price which is purchased through you; whereas he would have to take the goods belonging to the contractor, if you leased it to him; is that your point?—Yes. I maintain that I can get, by independent dealing and competition, better terms for the men than they would get from anybody else who had an interest in the concern.

58. (Major-General Eaton.) Your profits must be very large if you give your manager 200l. a year?—

Lieut.-Col.
F. C. Farmer,
R.A.

2 April 1902.

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Yes, they are. This man sometimes has a good many hundred pounds in his hands, and a man of that sort you have to pay well.

59. And the whole of your wages—one man 200*l.* a year and 56 men 1*l.* a week—is an enormous sum made entirely out of the profits of soldiers' money spent at the canteen?—That is so; but you must remember that it is not any more than a large wholesale dealer or a large dealer would pay his men.

60. Have you ever calculated roughly what is the profit made out of each soldier per month?—No, never; I do not see how I could arrive at that.

61. You could do it in this way: Take the number of men on your messing on the mess books?—I will try and get that information for you.

62. Take the last month at Woolwich, for instance, and take the number on your messing books and calculate what the profit was per head. Those are the men who really use the canteen?—5*s.* a man profit. I reckon I give back 3*s.* in share of profits, donations, up-keep of recreation; 2*s.* represents working expenses and a small balance.

63. Then you could arrive at some idea as to what is the profit made out of each soldier per month?—A large amount of our profits are given in charity and given back to the men in the form of a percentage. We give a great deal back in that way; we give about 1,500*l.* a year back to the men in the form of percentage on their bills.

64. Then you are distinctly in favour of competition in the purchase of every article that is used in the canteen?—I am certainly in favour of competition where it is possible to have it.

65. But you are not in favour of monopoly, having the thing always supplied from any one store, say a co-operative store, or Dickeson's?—Not if a tradesman has to do it. I am not in favour of any tradesman having a monopoly of the Royal Artillery canteen.

66. Or of co-operative stores?—Not for Woolwich canteens.

67. (*President.*) You can buy the best goods at the cheapest price in the open market?—Certainly, in a big business like my own. If I had a small canteen I would be very glad to hand my whole thing over to Dickeson, and I think he would do it right well.

68. (*Major-General Eaton.*) But if a large central store was formed you would have a monopoly?—Yes.

69. You, personally, would not be in favour of having that monopoly?—Not for the Woolwich canteen.

70. (*Captain Boehmer.*) But for battery canteens, if there was a large central store the small canteens would be better off?—Very much better off.

71. (*Colonel Bridge.*) Supposing all the profits of any firm which had a monopoly went to the men who used the canteen, would you still have an objection to it?—No, that would alter the circumstances. The reservation I was making was that I did not believe in any man who has any interest in the profits having a monopoly. If you had a co-operative store run by officers, or anything of that kind, who did the purchasing and distributing all in the interest of the soldier, and did not make any money out of it, that would be an advantage, I daresay, for almost all canteens.

72. (*Major-General Eaton.*) Then you advocate taking the officer from his duties?—No, I do not mean commissioned officers.

73. Then you advocate the non-commissioned officer being taken from his duties. I thought you were opposed to that?—Yes, I am. I mean like the Army and Navy Stores. Say there was a store run, not necessarily by officers but by any philanthropic gentlemen who had nothing to do, and who wished to benefit the British soldier, and liked to start a store to supply the men of the British Army (these things have been done) by supplying canteens with necessaries, or if the War Office chose to institute something of the sort, that would be a different thing.

74. (*Colonel Lambert.*) Those members of this Committee who are familiar with the old system want me to ask you, in what respect does the system that you are working under differ. You say that the whole of the expenses of some 57 men employed by the Woolwich canteen are paid by the profits which are formed by the men themselves?—Yes, men and officers, principally men.

75. Then in what respect does your system differ from the usual regimental one with which so many of us are familiar?—That we employ no soldiers.

76. That is what I was coming to. In no other respect?—In no other respect.

77. I understand that there is no man paid by the canteen whose name appears on any pay list of the Woolwich garrison?—I think there may be two; there is an offshoot of the canteen, a sort of recreation room attached to the canteen, but we are making arrangements for changing that.

78. You say that you, personally, yourself, manage to conduct this enormous business in addition to your regimental duties. You have told us that it is carried on on the regimental system; therefore I assume that you have assistant officers upon your committee?—There is the canteen committee that assembles; the accounts are audited by a firm of auditors, which takes away an enormous amount of work. I could not possibly do it but for their assistance.

79. Are you of opinion in regard to your assistant officers who assist you, and are paid by the country for doing other work, that their assistance of you in carrying on this enormous business takes them away from any military duties whatever?—Yes. I am not in favour of that. I do not think officers ought to be taken away.

80. (*Mr. Harwood.*) Is it likely, from your experience of the army, that officers will be found to give the management that you give to this great business? It seems extraordinary that you manage this great business, this most complicated affair. Is it likely that other officers would be found to do the same; is it phenomenal or usual?—This is rather an exceptional business. I have an exceptionally able staff, of course; these pensioners are very able men—the heads of the various departments who have been brought up to this business from boys. One man has been head of the department for 17 years, and he is a very able man; but with regard to any possibility of his having any interest, he cannot buy a single thing without coming to me. He says, "I want potatoes,"—or what not; beyond that he can say nothing else. I bring in the things, and I send for him. If I have a lot of sugars, I say, "Come here, what do you think about these sugars?" He does not know where they come from.

81. My point was this. It really depends upon you for the success of this thing, as a business man. Is it usual, or may we expect it would be frequent in the army, that officers would be found to devote so much time, and give so much attention as you do, to the management of this business with, so far as I can see, no motive but philanthropy?—I tell you that I am against officers having anything to do with canteens.

82. Officers on the active list?—Yes; in general I am very much against it. I only say I am looking at this very special canteen where I say I have specially able, really well trained tradesmen practically as my assistants; I could not do it without. If you took away all my assistants I could not do it; I should not be able to attend to my regimental duties at all. It is a remarkable exceptional business; it exists in no other station, I should think, in the world. I am only telling you what I do in this particular canteen, there is nothing else like it in the British Empire, I should think, because regimental canteens are all movable about, but this is a standing shop conducted by men of long experience in the trade. My men have as good experience as in any grocer's establishment in London, and are just as skilled tradesmen.

83. (*Colonel Bridge.*) Do you not consider with regard to the wholesale employment of pensioners, that some of the faults which you say are due to the employment of soldiers also exist in the wholesale employment of pensioners such as you have?—I believe in the employment of pensioners.

84. You do not consider that any of the faults due to the employment of soldiers are likely to result from the employment of pensioners. Would they not know some of the tricks?—I have had, of course, occasional cases of dishonesty amongst pensioners, but the pensioners are, of course, old soldiers. If you employ soldiers nowadays you must employ young soldiers, which is a different thing. I never take a man unless he has a very good or exemplary character, and has probably spent about 12 years in the service. Nowadays, when you have very few of over six years' service, a Commanding Officer cannot get old soldiers; it

is quite a different thing; he has to work with young soldiers and young non-commissioned officers, whose livelihood does not depend so much on their honesty, they merely return to duty after misconduct.

85. (Mr. Harwood.) Do you sell your liquor in the same room in which you sell your dry goods, or are there separate places for the sale of beer?—Separate entirely; a separate building.

86. (Captain Boehmer.) Who is the expert who decides that you get good value for your money in buying, say, sugar or tea. Who satisfies you that you are getting value for your money?—My customers. A lady told me, "I am getting much better butter than canteen butter"; so I went at once to the manager and said, "Our butter is not so good as they are buying in the town." Then I looked up the list and saw what they were getting their butter for, and I got some more. The men complain fast enough if anything is wrong. I often get complaints from the men.

87. (President.) Are you acquainted with the Co-operative Society at Woolwich? There is a workmen's co-operative store—the Woolwich Arsenal Co-operative Store?—No.

88. You have never bought through them?—No, I do not do any business with them. I employ two large market gardeners near there; one lives about three miles off and the other about two miles. I buy on the spot those things.

89. You do not buy at all from the Co-operative Stores wholesale?—I get small quantities of things from the Army and Navy Stores—only small quantities of a great many things, but so far as I can I buy wholesale. Keevil and Best are large city men, great importers of foreign eggs and butter; my bill with them is about 300*l.* a month. With a big firm of tea merchants I have about 300*l.* worth of tea consumed a month.

90. But you are not personally acquainted with the working of the co-operative movement?—No.

91. I asked for this reason. I understand from your evidence that you have adopted the co-operative principle in the management of your canteen, only that it differs from ordinary co-operative stores in this particular; that the consumers have no voice in the management—that the whole management is vested in one of your staff?—Yes.

92. What is the control, if we may assume, without giving any offence, that you are a dishonest man?—I do not know. I could, of course, make a very good thing out of the canteen provided my manager did not show me up.

93. If you were a dishonest man you could make a good deal of money out of the soldier?—I suppose I could. I daresay these dealers would pay me largely to take their goods, some of them.

94. (Colonel Lambert.) The sole test of quality then in this enormous turnover is the taste of the consumer; there is no other test of quality whatever?—I should think that is as good a test as any tradesman could get.

95. But there is no other?—There is no other; but I do not know any other that there could be. You rather imply that there is some test that we are deficient in. It is the only means of experience in a shop where they are accustomed to dealing; they know good from bad, and if there is anything bad there is complaint. I go round to Commanding Officers, of

course, and I say "I hear that you are buying something outside. Why are you doing so?" "It is cheaper than yours." I say, "Is it?" I encourage every sort of complaint and I do not get half enough, I say.

96. (Captain Boehmer.) If you do a turnover of 5,000*l.* a month, which means 60,000*l.* a year, and supposing you were going to start a business with a capital of 10,000*l.*, expecting to do a turnover of 60,000*l.* a year, would you employ an inexperienced man to do your trade, or would you have an experienced man?—An experienced man.

97. Do you think that a British officer who has not been brought up to the butter and tea trade, is an experienced man to conduct a business of 60,000*l.* a year in groceries?—I do not think so. I am not saying one word in favour of officers doing it.

98. Here is a big business with a turnover of 60,000*l.* a year, and it is run by inexperienced men, because no man brought up in the army can be a professional grocer?—Unfortunately he has to be a bit of a grocer now-a-days; there is no Artillery officer in command of a battery, particularly in India, who is not a bit of a grocer.

99. (President.) One member of the Committee assumed that your interest in this canteen was purely one of philanthropy. I suppose I would be right in saying that the good management of the canteen makes itself greatly felt in the well-being of the soldiers under your command?—Yes. I must say, of course, that I have got these able assistants under me; I could not do it without. I do not wish to claim any credit for it. It is not in a way so much trouble to me, because I only disburse the money, and I take good care that the money goes where it ought to go. Beyond that it is not a difficult job for me. My managers have no interest, and cannot have any interest in running any swindle. Take the head of my store department. He was a man who was brought up in the trade; he was brought up in our trade, and one grocery business is exactly the same as another. He has been in it from a boy, 16 years. He knows good butter from bad just as well as a London grocer. He says, "This is good," or "You can get better than this," or "This is not good enough"; or when I say, "What is this like?" he says, "It is all right." I do not think it is difficult really for me; it is only the cash I really do.

100. It is your natural desire as Commanding Officer that your soldiers should be as well off as possible?—Exactly.

101. And you think by managing your canteen for them they are better off than they would be if you handed them over to the mercies of contractors?—This particular canteen. If you ask me as to other regimental canteens or other regiments moving about, I do not know about the size of the battalion canteens. But this particular Woolwich canteen I should say is certainly best as it is. On the other hand I should say that any other canteens would probably do better.

102. For one reason, because it is under permanent management?—Because it is under permanent management, as permanent an establishment as Fortnum and Mason's in London. It is a very exceptional thing, and that is why I have already represented to the Colonel on the Staff that if any scheme of alteration was made I do not think it would be an advantage to the Woolwich canteen to be included in it, because it is a separate branch, conducted quite separately, with able men—all trained tradesmen.

The witness withdrew.

Lieut.-Colonel JAMES CHARLES OUGHTERSON, A.S.C., called in and examined.

103. (President.) Where is your command?—I am commanding the Army Service Corps at Woolwich.

104. You received a request from the General Officer Commanding to come here and give evidence on the subject of canteens—how they are conducted, and how they can be improved for the benefit of the soldier?—Yes.

105. Will you kindly give the Committee your views?—My idea of the promising way to benefit the soldier is co-operation, the principle of co-operation. I think that the soldier should be enabled by some organisation or other to get hold of the profits that now

go into the hands of the large contracting business firms; and further than that I do not quite follow your question; in fact, it was only yesterday afternoon that I saw the General, and I have not had time to formulate a complete answer to the question.

106. But you are thoroughly conversant with the way that your canteen at Woolwich is conducted?—Yes.

107. And you are of opinion that they ought to be conducted on the co-operative principle?—Yes.

108. To secure the whole benefit?—To secure the whole benefit for the soldier.

Lieut.-Col.
F. C. Farmer,
R.A.
2 April 1902.

Lieut.-Col.
J. C. Oughterson,
A.S.C.

*Lieut.-Col.
J. C. Oughterson, A.S.C.*

2 April 1932.

109. Are you acquainted with the Woolwich Co-operative Industrial Society?—No; I know there is such a society, but I am not acquainted with it in any way.

110. What is your experience of the working of your canteen?—At present, and for the last three or four months, I have taken on the presidency of my own canteen, and have been doing president as well as commanding officer. That is allowable under the regulations.

111. We have just had evidence from Colonel Farmer, who I understand has all the canteens under his management?—That is only the Royal Artillery canteen. Mine is a separate institution.

112. What is yours?—Mine is the Army Service Corps canteen.

113. That is run as an independent unit?—Quite so.

114. And you are the president of it?—Yes, I am the commanding officer of the Army Service Corps, and I am president of my own canteen.

115. Will you kindly tell us how you work that canteen?—It is principally worked by means of supplies from the Canteen and Mess Co-operative Association; and also supplies are got from certain outside contractors. I get goods from Messrs. Dickeson, and some from a man in Cork, a Mr. Daly—butter and things of that sort; and there are local contractors as well for things which you cannot keep in stock, that will not last more than a day.

116. Who does the buying?—The ordering is done by the committee.

117. Who is your committee?—I have two subaltern officers on the committee, as well as myself as president.

118. And this committee makes the contracts?—We make no contracts; we simply buy as we want. I have no contract except for beer.

119. When you want potatoes, what do you do?—I buy them under a sort of agreement. I have a fixed price for them from a local tradesman.

120. What security have your soldiers that you buy in the cheapest market?—I do not know that they have any security, except that I try to make myself acquainted with local prices, and take care that I do buy in the cheapest market. I make myself responsible that I do buy in the cheapest market.

121. What principle do you proceed upon?—You mentioned just now potatoes; but as regards the general management of the canteen I compare the price lists of the different people in order that I may get the cheapest supplies.

122. How do you buy your beer?—The beer is bought by contract, by public tender.

123. You invite tenders?—Yes, and I have a yearly contract for that.

124. Do you advertise for tenders?—Yes.

125. How do you decide as to the quality?—We have a tasting committee.

126. (*Colonel Bridge.*) And chemical tests as well?—Yes, for the strength.

127. (*President.*) Have you any of your privates, or non-commissioned officers, on the committee of tasting?—Yes, I think the last time (it was in June last year), there was one sergeant, a corporal, and a private, as far as I remember now.

128. I suppose it is run on very much the same lines as Colonel Farmer's canteen?—Yes, I think it is; I do not know much about Colonel Farmer's canteen, but I think it is run on very much the same principle.

129. (*Major-General Eaton.*) Are your staff serving men, or are they pensioners?—They are all serving men at present, except the canteen steward, a pensioner, and his wife, she is employed in the grocery bar.

130. (*Colonel Bridge.*) The canteen is purely on the regimental system?—Yes, it is until now; but I am starting it on the tenant system after the 5th.

131. (*Major-General Eaton.*) Then, after the 5th, whom will you employ?—The Canteen and Mess Association are taking it over as tenants for three months.

132. What profits will they give you?—They are going to give me all the retail profits. They guarantee us 7l. per 100 men, and after that all the retail profits.

133. (*Colonel Bridge.*) That is exclusive of the beer?—No, inclusive.

134. (*President.*) 7l. per 100 men per month on the dry goods?—On the dry goods and beer. They give me 7l. per 100 men and all the retail profits of every quarter after that.

135. (*Major-General Eaton.*) They are satisfied, as a matter of fact, with the wholesale profit?—Yes, and working expenses.

136. And they give you so much per 100 men for the men on your messing books?—Yes, for the men upon my ration returns, which is rather more.

137. (*Colonel Bridge.*) They guarantee you 7l. per 100 men?—Yes.

138. You have no means of judging what else you will get; what the other profits will be?—I think I ought to get at least 5l. per 100 men more at the end of the time.

139. (*Major-General Eaton.*) Have you ever made a rough calculation as to the profit you made on 100 men?—At present the profit that I am making I should think is under 2s.

140. The profit that you will get from the Co-operative Association will be more than you have made in the past?—No, I think it will be about the same; and they take all the working off one's shoulders.

141. And they pay all the staff?—They pay all the staff; but then they take their working expenses out of the retail profit.

142. Is that contract for a year?—No, only to the 30th of June; it is merely as an experiment.

143. They might supply you with any stuff in fact?—No, I have a clause in the contract that I have the control of the quality.

144. Then you do not think the actual profits from the Co-operative Society will be any more than the profits you have made in the past?—I do not see that I have any right to expect that they will be, but they may; they may have better methods of management. That is one of the reasons for the experiment.

145. (*President.*) You employ them because they are a business agency which will manage your canteens on the same principles as those on which you have been managing them yourselves?—Yes; before the tenancy was settled on, I may say, I talked it over with the General Officer Commanding the District and he quite approved.

146. (*Mr. Harwood.*) With regard to these societies, how do they buy their perishable goods? You say you buy them from local people, that is to say, from day to day. Do the Canteen Association or Dickeson's do the same, or do they send to some central store?—No, I believe those perishable things they buy from day to day from local tradesmen.

147. (*Colonel Lambert.*) Your profit is made by the men?—Yes.

148. Is any part of it paid to men already on the pay list of the country, and paid for by the taxpayers?—Yes, the wages of the soldier attendants are paid out of it.

149. That is to say, we will assume (stop me if I am wrong) that as regards the ordinary sum per month that appears in the canteen accounts for your manager, and so on, hitherto those men who are getting that sum are also in receipt of pay from the country in their various places as sergeant major or sergeant, or as a private soldier potman?—Yes, most of them. The steward of the canteen, who draws the most pay of course, is a pensioner, but the waiters are all soldiers. The steward's wife is also employed.

150. Active soldiers?—Active soldiers.

151. Then you are assisted by two subaltern officers?—On the committee.

152. Do you think that takes them away from any of their other duties, employing them in those canteens; or do you find that they can do the whole of the multifarious duties, which one knows a subaltern in your corps has to do, quite easily in addition?—I think it takes them away a great deal; I may also say, I think it takes me, the president, away.

153. (*President.*) And for that reason you have made this arrangement with the Canteen Association?—Yes, it is one of the reasons.

154. You started your evidence by saying that you were in favour of the co-operative principle; what is your objection to the contract principle, which is the alternative; that is to say, leasing out canteens to a tenant?—Because I think the profit made by the contractor is one that could, by a proper co-operative plan, be got hold of for the benefit of the soldier.

155. And you think the co-operative principle which you apply does secure the interests of the soldiers more effectively?—No, I do not think it goes as far as it might do. I am no friend of the Co-operative Association in itself; but it is the only way that we can get hold of co-operation at all at present; they are the only people that offer us co-operation in any form.

156. You say it does not go so far as it might go; have you considered how far it could go? Have you any proposal to make?—I think that some co-operative body might be formed that would get hold of all the wholesale profits for the benefit of the soldier; I mean the profit that now goes, in private firms, to pay the shareholders their dividend. I think we might get that.

157. Have you discussed that with your brother-officers?—Yes. Some of them agree with me and some of them do not.

158. Is it a vexed question?—Yes, it is a vexed question.

159. But you hold that opinion strongly?—Yes, I think it ought to be done; I do not see any reason if the principle is properly worked out and applied why it could not be done.

160. (Major-General Eaton.) Before you made this contract with the Co-operative Society, did you try to

make a contract with any of the big firms?—No, I did not, because the Co-operative Association is the only one, as I said before, that extends to us any benefits of co-operation.

161. But you say you are getting 7l. for every 100 men; that is only 1s. 6d. a man per month?—That is only 1s. 6d. guaranteed.

162. The other firms give 3s. 6d. So that virtually you are not doing as well for the men as if you employed Dickeson or Lipton?—I did not know that;—not in the immediate present, perhaps. But this is only an experiment. I only made this for three months. The representative of Dickeson came to me afterwards and said that he would offer me 2s. 6d.

163. As a matter of fact they are giving 3s. 6d.?—I did not know that. My idea was that the private firms were probably prepared to offer me a good deal more than they could make out of the canteen at present, for the purpose of crushing any opposition. I do not know whether I am right or wrong. I have heard of that being done and I thought it might be the case. I might say that my beer profits are not very big; my beer profits have been going down and I do not think I am making more than 2s. at the outside per head in the canteen at present.

164. (Captain Boehmer.) Is it not the fact that any officer taking up the presidency of a canteen in England knows of only three firms for him to go to, and that is Cox, Lipton, and Dickeson; it is a huge monopoly?—Those are only the three firms I have heard of outside the Canteen and Mess Co-operative Association.

165. No officer knows of any other?—I think that is very likely, unless he is a man of very large business experience.

The witness withdrew.

Major the Hon. JOHN ST. AUBYN, Grenadier Guards, examined.

Lieut.-Col.
J. C. Oughterson, A.S.C.

2 April 1902.

Major
J. St. Aubyn,
Gren. Gds.

166. (President.) By whose command have you come here to give evidence?—General Trotter, commanding the Home District.

167. You come here to inform the Committee as to the working of canteens in the Home District?—Yes.

168. Would you kindly tell the Committee any views that you have upon the subject of canteen management, that you think worth our consideration?—I can tell the Committee that now for some time the canteens in the district have been on the tenant system, all of them: I mean so far as concerns the Brigade of Guards, which is all I speak of; and that system seems to me to answer well. There are manifest advantages, which perhaps I need hardly repeat to the Committee.

169. We should like to hear what the advantages are?—The first of them, I think, is the entire elimination of the soldier having any connection with the working of the canteen; the only soldier employed in the working of the canteen at all is the accountant. That is one thing.

170. The elimination of the soldier from the management is advantage No. 1?—Yes, no soldier is employed in the canteens at all except the officers on the Canteen Committee and the accountant.

171. Why is he allowed to be accountant?—To check the accounts which are furnished by the tenant. It is the same man as was accountant before.

172. He is acting in the interest of the soldier?—Yes, exactly so.

173. (Mr. Harwood.) But he need not be a soldier—you could have an accountant from outside?—I do not know how we should pay him.

174. (President.) Do you pay your own accountant?—Yes, from the canteen fund.

175. (Colonel Bridge.) You pay him about 1s. 6d. a day?—Yes.

176. And for an outsider you would have to pay perhaps 70l. a year?—Yes.

177. (President.) What are the other advantages of the tenant system?—Besides that, we are guaranteed against loss.

178. The profits seem to be so very large; is the liability great?—Under the old system there was a liability for loss if anything happened, and one of the great advantages of having no soldiers employed is

that the men in that position are not exposed to the temptation that they used to be.

179. What sort of temptation—bribes?—Bribes and perquisites.

180. (Major-General Eaton.) The soldiers themselves?—The soldiers themselves. And another advantage is that the men are very much better waited upon and looked after.

181. (President.) We have just had some evidence from Colonel Farmer at Woolwich, who agrees with you that it is most desirable to eliminate the private soldier from the management of your canteens; but he is running his on the co-operative principle as against the tenant principle, such as you advocate. You are of opinion that you can only secure these advantages which you have been enumerating, by the adoption of the tenant system?—I do not know, and I have not been told of any other system under which they could be procured.

182. Have you considered the co-operative principle such as is in practice at Woolwich?—No, I do not know exactly what you mean by the co-operative principle such as is in practice at Woolwich. We have the co-operative principle here.

183. How?—These are co-operative societies—one is that is furnishing us just now.

184. Then, I will ask you who your tenants are?—The Canteen and Mess Association and Dickeson and Company.

185. (Major-General Eaton.) In the different barracks?—Yes; we employ the principle of competition as much as we can.

186. (Chairman.) Will you kindly tell the Committee how the contracts between the Canteen and Mess Association and Dickeson and Company differ?—They differ in a very small degree indeed. The last contract of the Canteen and Mess Association guarantees us a rebate of 3s. per man, per month, plus surplus profits.

187. That means a minimum rent of 3s. per man per month?—Yes, and any surplus profits over and above.

188. (Major-General Eaton.) What men are those?—Men on the ration list. With Dickeson and Company our last contract at the beginning of the year was 3s. 6d. per man per month plus surplus profit, but they calculated the rebate on the number of men in the

Major
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grocery return, which is a considerably smaller number.

189. (*Colonel Bridge.*) The men in messing practically?—Yes; and though at the same time they give a little rebate to the married people, it works out to the same thing, that the sums received from the Canteen and Mess Association and from Dickeson and Company are about the same.

190. (*The President.*) Which, in your opinion, is it better to employ—the Canteen Society?—I should employ both, certainly, in order to keep up the principle of competition, which I think is most essential. I have no complaints. The battalion I have been with has employed the Canteen and Mess Society for some time; in fact, ever since it has been formed, since it went to Gibraltar in 1898, and I must say they have done us very well. At the same time I have nothing whatever to say against Messrs. Dickeson.

191. There is a difference in principle. I understand all the profits realised by the Canteen and Mess Society go to the soldier?—Yes.

192. And in the case of Dickeson, do they also go to the soldier?—Yes, they also give the surplus profits too; but the Canteen and Mess Society are bound not to make more than 5 per cent.

193. And Messrs. Dickeson?—I believe their preference shares are now quoted at 7 per cent.

194. Then is there only this difference between the two firms: that the profits are calculated after 5 per cent. is paid in the case of the Canteen and Mess Society, and after 7 per cent. in the case of Dickeson and Company?—I suppose that is the only difference; I do not know about that.

195. (*Colonel Lambert.*) With the Canteen co-operative society all the surplus profit that you get over what they contracted to pay they return to you probably quarterly by cheque?—Yes.

196. What guarantee have you got that those are actually really the surplus profits they have made during that quarter?—That is the one great blot on the system. They practically allow us to look at their accounts, and we are supposed to be able to check the whole of their accounts to say what is correct; but it is found to be such a very large thing that our accountant cannot do it.

197. (*The President.*) But if you had an auditor, you have the right to send in your auditors to look at their books whenever you like?—Yes.

198. (*Mr. Harwood.*) For instance, here I find Messrs. Dickeson in their floating circular make a gross profit of 35,000*l.* on a capital which they are selling for 125,000*l.*, and I should presume it is worth about 80,000*l.* That is to say, even in the selling they get 30 per cent. profit?—I do not know about that. We do not take the gross profits; it is the net profits. Here is the last account for Pirbright for 1901. (*Handing in the same.*)

199. (*Colonel Lambert.*) Lord Grey's question was, in what respect do these two firms differ? The difference, apparently, I understand, is this: that in one case you have a right to check and ascertain that the men you are really acting for do get the profits over and above what they contracted to pay for, which is what I understand about co-operation; and in the other you do not?—I am not quite sure about Messrs. Dickeson.

200. (*Major-General Eaton.*) Do you find that there is much difference between the sums you get from the one or the other?—They are about the same; but what I said just now is perfectly true, and it is a great difficulty too: to go through the whole accounts of a large firm like this co-operative society or Messrs. Dickeson either, and to make out that they are giving us exactly the true thing, is a very big business indeed, and would require a man to devote such time to it as nobody would be able to give.

201. (*Colonel Bridge.*) But still, if it were necessary to do it you could do it by employing an expert?—Yes, I suppose we could get authority to employ an expert. But as the Chairman asked me what I thought about that kind of thing, I will say I should think it would be a good thing to have an officer told off for that purpose.

202. (*Mr. Harwood.*) Is it not sufficient to know that one company cannot by its articles make more than 5 per cent. and the other can make anything?—So far as I know.

203. (*The President.*) I understood you to say 7 per cent. in the case of Dickeson?—That, I believe, to be the quotation of the preference shares.

204. How do they calculate the surplus profits?—I do not know.

205. I understood you to say that Dickeson gave the whole surplus profits plus an allowance?—Yes, the contract is so.

206. I should like to know from you if you make a contract with Dickeson's?—I do not make a contract with Dickeson's.

207. Who makes the contract with Dickeson's?—The General Officer.

208. In the contract there must be a way of arriving at an understanding how the surplus profits are arrived at?—It is a net profit practically, you see, by the statement I have handed in.

209. Are the net profits all the profits that are realised after 5 per cent. has been paid on the ordinary share capital?—I suppose so. That is the case as regards the canteen and mess, I believe, but I do not know that Dickeson give anything above the net or retail profit plus the allowance to married people.

210. You do not know?—I do not know.

211. Then you have given us four heads of advantages: the elimination of the soldier; the guarantee against loss; no temptation to bribes and perquisites; and better service in the bar?—Yes.

212. Does that exhaust your catalogue of advantages?—There is one other advantage: guarantee against loss perhaps comes into it; but there is the great difficulty, under the last system of locked tills, of fixing responsibility in case of any loss. There was a great difficulty in that.

213. How do you do that?—I have found it very difficult; I know that commanding officers find it very difficult to fix the responsibility in case of loss indeed, and in fact impossible.

214. Do you employ the check system, or do they pay over the counter?—They pay into a locked till. I have known a case where there was an unaccountable deficiency instead of an unaccountable balance, and it was impossible to trace it.

215. (*Captain Boehmer.*) From the fact that you cannot put a gallon of beer into eight pint pots, how does the unaccountable profit run out as regards canteens?—At this present moment there will be hardly any unaccountable profit on the beer at all, because we have a new machine which measures it out, so that there can be none.

216. But you cannot put a pint of beer into a pint pot?—That is a question for the contractor; he pays us his rebate.

217. As a matter of fact out in India the canteen regulations there insisted, so far as regards the measurement of 40 drams of rum to the gallon, on three to five drams unaccountable profit; and if you did not produce those three drams in your canteen account when it went up to Simla they thought something was wrong?—That was the case in the old system; now we have nothing to do with it. Another advantage is that the time of officers and N.C.O.'s is not taken up by keeping complicated accounts and checking stores, &c..

218. (*Major-General Eaton.*) Do these co-operative stores and Dickeson's have any profits out of the sale of beer in the canteens?—I suppose they do; they would not do it for nothing. But practically what I have found is that under the present system we get as much money as we did before, plus the advantages which I have spoken of. That is what it comes to.

219. (*President.*) And as I understand from you the only question of importance in your mind is, how the surplus profits are calculated?—Yes.

220. I understand the Canteen and Mess Society and Messrs. Dickeson give you the same average pay per man per month?—Yes.

221. And they both give you the surplus profits; and what we should like to know is, how the surplus profits are calculated. Have you arrived at any distribution of surplus profits up to now?—Yes.

222. Can you make a comparison?—In the last year.

223. How long has this system been in operation?—The amount has been altered from time to time. The

rebate began first of all at 2s. 6d. a man per month; that has been advanced, in the case of the Canteen co-operative association, to 3s., of Messrs. Dickeson, to 3s. 6d. The actual amount of rebate received per man from the various contractors during 1901, or since the last change of quarters, is as follows: At Wellington Barracks from the 1st May 1901 to the 31st December 1901, 3s. 5½d. per man per month from the Canteen and Mess Association; at Kensington 2s. 6d. per man from Dickeson & Co. The reason for that is that it is a very small canteen, only about 160 men at Kensington. The 3rd battalion of the Coldstream Guards at Chelsea, 3s. 7½d. per man per month for the whole year, from Dickeson & Co. Then that was calculated in a slightly different fashion, as I told you, from the grocery return, the 3rd battalion of the Scots Guards from May 1st to December 31st 2s. 8d. per man per month from the Canteen co-operative company; and there is a note to that saying that when they started first of all, owing to the inefficiency of management, the Canteen and Mess Association made no profit during the summer months. The 1st battalion of the Irish Guards in the Tower of London 3s. 6d. per man per month from the Canteen and Mess Association, Limited. You see it is very much about the same. That is the total amount including rebate.

224. (*Major-General Eaton.*) Both the Society and Dickeson's put in their own men?—Yes, they work the whole thing.

225. (*Mr. Harwood.*) You have no control over those men whatever?—Except if they misbehave themselves.

226. You can complain to their employers, but you cannot discharge them?—Yes; the Commanding Officer has only to show that he is not satisfied with a man in any way and the contractors will immediately remove him.

227. But he goes to the contractor?—Yes.

228. (*President.*) What control have you over the quality of the articles supplied?—Inspection. There is inspection by a staff officer, who comes and looks at the things.

229. Beer?—A staff officer comes and looks at it periodically.

230. (*Major-General Eaton.*) Is the beer analysed?—That is in his charge altogether. That is a very important thing.

231. (*President.*) Will you kindly tell the Committee who the inspector there is?—He is the Deputy Assistant Adjutant-General of the Home District.

232. Major King?—Yes.

233. He is coming to give evidence; so we will ask him about that?—I can speak about it, because he can do things, an expert officer like him, that an ordinary officer cannot do. He comes into the canteen and drinks a glass of beer, sips it, and says, There is so much too much sugar in it. He takes up butter at the end of his finger, tastes it, and says: There is 40 per cent. margarine in it. He takes brown sugar in his hand and lets it fall through his hand and says, Too much or too little crystal in it. All those things the ordinary officer cannot know.

234. (*Mr. Harwood.*) And to whom does he report?—To the General.

235. And is there not someone going round from the War Office watching all the canteens?—He has been employed to do that. It struck me then that he had much more knowledge of the whole affair than an ordinary officer could possibly possess.

236. (*President.*) Supposing you are dissatisfied with the quality of beer supplied by Dickeson's—do they supply beer too?—We have never had any complaint

yet. Now I believe it has been altered to Lipton's to supply the beer now.

237. (*Major-General Eaton.*) I thought the whole London district was supplied by Ind, Coope & Co.; is that so?—Yes, I meant Ind & Coope, not Lipton.

238. (*President.*) But Dickeson's is the only person through whom you have to deal?—Yes; the General makes the contract for the beer, but it is supplied in the canteen at present by Dickenson's.

239. (*Major-General Eaton.*) Is it not true, as a matter of fact, that recently the Lion Brewery, that has supplied the Brigade of Guards for years, has been given up, and Ind Coope has been employed in consequence of an analysis of the two beers, by which it was found that Ind Coope's was better, cheaper, and purer beer than the other?—Yes.

240. (*President.*) What is the relation between Dickeson's and Ind Coope?—He has to use their beer in the wet canteens.

241. He must serve out their beer?—Yes.

242. Does he make the contract with Ind Coope, or does the General Officer Commanding?—The General.

243. Have you any suggestions to make as to what alterations could be made with a view of making your canteens better for the soldier?—You mean in the way of supply? There is one point that I mentioned just now; I thought there ought to be an expert accountant to check these accounts, and an expert officer to check the quality; I think those two things are very important.

244. (*Colonel Bridge.*) Do you think the number of expert officers ought to be increased. You have them already?—We have in this district; but we have not an officer told off to check the actual accounts.

245. (*Major-General Eaton.*) But you are in favour of competition?—Yes.

246. In preference to having a central organisation?—As to that I am really not in a position exactly to give an opinion. What do you mean by a central organization?

247. Supposing there was a central organization proposed under the War Office, there would be no competition, a sort of War Office co-operative society to take the place of any societies and any contractors?—That is rather a big question to think of all of a sudden. I suppose in one way it would be a good thing. These companies make a profit, both of them, Dickeson's and the Co-operative Society. I suppose a committee of those concerned that you are speaking of would not require anything more than ordinary working expenses. With regard to the proposed central organization: I conclude this organization would be able to carry out the principle of competition in their dealings with various firms. It would be, in my opinion, essential that it should provide a properly qualified staff to do the work of the canteens and refreshment rooms—managers, waiters, &c.—so that such work should not devolve on the soldier. To run a retail grocery and beer business satisfactorily, it is desirable to have a staff of trained grocers and beer-sellers. If such an organisation would ensure the soldier making more profits than he does now—getting better goods at a cheaper rate—its establishment would be advantageous. I think the profits should go to the men who make them, and their distribution be left in the hands of Commanding Officers.

248. (*President.*) You are in favour of the widest competition, with the view of getting the best article at the cheapest price?—Yes, certainly.

249. (*Captain Boehmer.*) And all the profits to go to the soldier?—All the profits to go to the soldier.

The witness withdrew.

Battery Quartermaster Sergeant JOHN GIBBARD called in and examined.

250. (*President.*) Where are you quartered?—At Woolwich.

251. You have been instructed to come here and give evidence on the subject of canteens, and how they affect the well-being of the men?—Yes.

252. Will you kindly tell the Committee what your opinion is of the working of the canteens and whether they can be improved, if you have any suggestion to

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offer?—The canteen at Woolwich is, of course, an exceptional canteen, it is a stationary canteen, and it works very well indeed. They are very liberal and treat the soldier well, both coming to the station and going out of it. They also look well after the married families; at such times as Christmas they give 5s. to the married people, 2s. to the single men, and 1s. to each child, and up to the present time they have been giving 6½ per cent. discount on the purchases.

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Now they are giving 4½ per cent. discount in addition to the yearly bonus on the amount of money that is expended by every battery. Then the children have a tea party at Christmas, and they also have an outing in the summer, and I believe that they subscribe to several charities. That is the Royal Artillery canteen at Woolwich which is stationary, and everything that you get there compares very favourably with things that you get outside, but the mens canteen and drinking bar is rather too public I think. It should be made more on the system of a club or institute. I would discard the word "canteen" altogether so far as that is concerned, and call it "the Soldiers' Club."

253. What is the canteen like—an ordinary public house?—It is not exactly like an ordinary public house, because it does not admit the general public into it, but it is in such a public part of the barracks, and there are so many civilians working in the Royal Artillery barracks, the civilian branch of the Royal Engineer Department and officers' servants and grooms, who are invariably in mufti, that you really cannot tell who is a civilian and who is not, and the canteen is in such an exposed place that people with no interest in going there pass down the place and naturally walk in thinking it like a public house.

254. You think it is a temptation that should be removed?—Yes.

255. You would like to put it a little more in the background, to make it a little more difficult of access?—Yes. Of course the canteen is necessary I think, and it should be made a little more comfortable.

256. (*Captain Boehmer.*) I suppose the drinking part is just a plain sawdust floor and just about as little comfort as possible?—Yes.

257. Do you think that if the drinking part of the canteen was made more comfortable it would prevent the soldier that likes his beer going outside the barracks if he had a more comfortable canteen inside?—If you make the man go to the canteen in a tidier dress than he does now. When a man first joins the Service he is perhaps a young man with no idea of going to the canteen or the public house at all—someone invites him to the canteen, and he goes, and the first thing he has to do is to drink out of the pot the other man has just drunk out of, or the other man has to drink after him, whereas if they had a system of glasses and every man had a small measure and a glass it would be much more comfortable.

258. (*President.*) I understood you to say that the canteen was in your opinion too much of a drinking bar, and you wanted to make it more of a club?—Yes.

259. Where a man can be happy without being obliged to drink?—Quite so. At the present time if a man goes to the canteen he can only smoke and drink, he cannot play dominoes or draughts or read the newspaper. It is simply a bar for drinking purposes and smoking only. If he wants to stop there he has got to drink.

260. I was under the impression that there were recreation rooms, billiard rooms, and so forth?—Yes, but not in connection with the canteen, they are right apart from it, and I do not think there are two dozen men in Woolwich who know where to find these recreation rooms.

261. You think these recreation rooms ought to be under the same roof as the canteen.—Yes.

262. But then certain people say that in order to tempt men away from the canteen you should have these recreation rooms, which are counter-attractions to the canteen, away from the canteen. Then you say nobody goes there?—I do not think they do—not to a great extent, only the men that can really play billiards, and it is the same mob there every night. There are not a great many at Woolwich really who know where this recreation room is.

263. You have thought it out, and talked it over with your friends; how would you improve the canteen so as to make it for the benefit of the soldier?—The first thing I should do, if I was to have a voice in the matter, to improve the canteen would be to make it a place that you would not be afraid to take your sister or your mother to, if she came to see you. I am a married man myself, but in the case of a single man living in the barrack room, if his sister or his mother comes to see him she has to stand down in the square till he can get

ready; he cannot take her to the barrack room—females are not allowed in the barrack room. There are plenty of good institutes in Woolwich, but then they are not inside the barracks. There is one institute you can go to that has lately been opened, the Church of England Soldiers' Institute, but it is not everybody that knows the back entrance to that place even; the back entrances is behind the Riding School, and it is the same entrance by which the prisoners go to the garrison cells, so that they hardly look for the entrance to their institute there. Then the canteen, I think, should be a place where a man should not only go and get a glass of beer, but he should be able to get a decent meal if he wants it.

264. It should be a refreshment house you think?—Yes.

265. Can he not get a meal there now?—Yes, he can, but although it is under the same roof as the canteen branch he is not allowed to have beer with it or anything of the kind.

266. It is a temperance refreshment room?—No, it is a refreshment room, but he is not allowed to take beer there.

267. What is he allowed to take there?—Coffee or tea.

268. Then it is a temperance room?—Yes.

269.—And that is not much used?—Yes it is, his eatables and everything he gets there are very good, the best quality and also quantity; there is no grumbling on the score of either of these two matters.

270. He gets good value for his money, both, in eatables and drinkables?—Yes.

271. (*Major-General Eaton.*) You would like the man to be able to get his pot of beer at the canteen and carry it into the refreshment room?—I would let the waiter carry it.

272. I mean you would give him the power to send for a glass of beer and have it in the refreshment room?—Only if he has a meal, not to make the eating room a sitting room to drink in; that if he has a meal he should have a glass of beer if he likes.

273. (*Captain Boehmer.*) Have you served in India?—Yes.

274. In India, in the coffee shops there is beer kept as well, so that the men can have a pint of beer with their supper if they want it?—Yes.

275. That is not the system in Woolwich?—No. That was greatly appreciated in India. The 21st Fusiliers in Lucknow were the first regiment that brought that out. I was on furlough there in 1887 and they used to have concerts two nights a week, and their own officers used to attend, and they had very comfortable canteens. Then the artillery canteens took it up from them. We took it up in Umballa.

276. At Woolwich do they employ piano players and singers in the canteens?—No, they employ soldiers.

277. Is that in the drinking part?—Yes.

278. (*President.*) I should like to ask you this question: Supposing that you are dissatisfied or any of your men are dissatisfied with the quality of the goods, what action do you take?—I have not had a great deal of experience. I have been a non-commissioned officer now for about 21 years, and away from the canteen, but I have had more to do with the dry canteen business, having superintended the battery mess for seven or eight years, and the least complaint that we have we just simply go to the canteen and lodge a complaint, and they will inspect the thing we complain of and strike it off the books at once; they give us every satisfaction that they possibly can.

279. Are the canteens that you are referring to under Colonel Farmer?—Yes, but they are not always under him; the President changes occasionally; he is President at present.

280. (*Colonel Lambert.*) You are a member, of course, of the sergeants' mess at Woolwich?—Yes.

281. What number do you think there are altogether there, and what number is there of dining members?—Dining members in the whole of Woolwich or in the Horse Artillery mess, do you mean?

282. How many messes are there at Woolwich?—There are four in the Royal Artillery barracks.

283. You have a Horse Artillery sergeants' mess?—Yes.

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284. What number of members are there altogether, and what number of dining members, roughly?—I should say on an average there are about 20 dining members and about 50 members altogether.

285. Therefore it is about the running size of a cavalry regiment?—Yes.

286. Are the whole of your supplies and everything drawn through the Woolwich canteen?—No.

287. What proportion of them are not drawn through the Woolwich canteen?—Spirits, tobacco, cigars, and mineral waters.

288. But all the other units are drawn from there?—Beer is drawn through the canteen, and wines and groceries for the single men, of course.

289. I am just speaking of the management of the sergeants' mess alone. Everything, with the exception of those articles you have mentioned, is drawn through the Woolwich canteen into the Horse Artillery mess?—Yes.

290. Have you of late years been in your turn caterer to that mess?—No.

291. Have you ever been president of the mess?—No, I have been treasurer.

292. That comes nearer to it. Have you been treasurer quite recently?—No, about 18 months ago I was treasurer.

293. At what price is the beer laid in, do you remember at all?—The brewer's price or the canteen price to us, do you mean?

294. Those are the same, because you buy at the same price at which it is laid into the canteen?—Yes.

295. You get it into the sergeants' mess at cost price?—Yes.

296. Do you know at all what price you are paying for any one particular beer, just for the sake of reference?—No, not the wholesale price.

297. Therefore you do not know what the profits are on each 36 gallons; you could not say that at all?—No, not just lately; I knew the profits some time ago.

298. You do not happen to know, during the time you were treasurer, what the unascertained profits were during that month. You know what I mean by that?—Yes. The profit on everything—that is, tobacco, mineral waters, and beer; spirits and everything generally is always read out at the monthly mess meeting. Sometimes it is a matter of 20*l.* a month.

299. On that one mess the unascertained profits are a matter of 20*l.*?—The total profits are 20*l.*

300. But what are the unaccountable profits—what proportion of that?—We never had any.

301. I will put it to you in this way: Supposing the beer was laid in at any price you like; supposing the bitter beer you get in your mess was bought at 40*s.*, and it was sold at 50*s.*, when whoever was in command of your mess came round, he would not assume that 10*s.*, the difference between the buying and selling price, was the whole profit; but there would be a further profit which is called the unascertained profit?—The system we work on is this: stock is taken every morning. Supposing you start with 40 gallons this morning, and your selling price is 2*s.* a gallon for bitter beer, if you sell 20 gallons you have to give the treasurer 40*s.*, and there is nothing more; the money he has got in the till you do not touch, you take his stock.

302. I follow what you mean, but I want to get at what the unascertained profit in the Horse Artillery mess at Woolwich is roughly—when the money comes to be counted out here and the beer paid for, and the usual profit taken, what there is over and above that?—There is never anything; you simply get the money from the caterer; you take his stock and say: You had 20 gallons yesterday, you have 10 to day, and you have to give me the price of that. The till is not locked.

303. You do not use the locked till?—No, you pay your money over the bar and get your change.

304. I assume that there is a roster kept of the sergeants who go into the mess?—Yes.

305. Is there any personal advantage to any sergeant in becoming caterer for a month?—I do not think so. I was caterer twice myself, and it was no advantage to me, only ill-health from being cooped up amongst the smoke.

306. In fact there is no advantage you think to be gained by going in as caterer?—No, not if you act fairly by everybody.

307. (Mr. Harwood.) What is done with the profit that is made by the sergeants' mess?—We keep up the mess itself; we buy table cloths and cards, keep the billiard table in repair, and venetian blinds, and linoleum, and occasionally we have different friends, guests, and a certain amount of money is spent on them.

308. Still you say that on a mess with a dining list of 20, and a total list of 50, you make on an average about 20*l.* a month profit?—Yes.

309. That would be 240*l.* a year?—Yes.

310. I cannot see how you can spend 240*l.* a year in keeping up furniture, blinds, and such things?—We have all the newspapers, and cricket and football.

311. (The President.) I understand from your account that the sergeants' mess does fulfil the functions of a club?—Yes.

312. And you want to make the canteen more like the sergeants' mess?—Yes. If you could follow the man's career from the time he enlists, and watch him, you could not make much of him if you are in contact with him constantly until he is a sergeant. He is a rough and ready man, because he has to be. When he comes to mess he gets a little bit better refinement, he has a tablecloth to have his meals on, and a glass to drink out of, and it makes a different man of him altogether. I think it would be a good thing if from the first start they were to make the canteen more like that. It would take a lot of doing though.

313. (Mr. Harwood.) At the sergeants' mess can you get beer with your food?—Yes.

314. Can you have beer without food?—When the mess is open.

315. Is that what you want to make the privates' canteen—like the sergeants' mess?—You cannot exactly bring it up to a par with the sergeants' mess.

316. But on the same principle?—I would make it a great deal more comfortable than it is, I think. I do not mean to give the man more attraction to make him go and drink more and spend his money on beer, but to make it so that he could go there, and that he could have something else to occupy his mind besides simply smoking and drinking.

317. (Colonel Lambert.) You said that it was no advantage whatever to a sergeant to go in as a caterer. Have you in your experience ever known of a case of a caterer who has got into any money trouble in your mess?—Yes, I knew of one some few years ago.

318. Only one?—Only one.

319. Have you ever known of a sergeant who ever expressed a wish to go in as caterer, or have they to be forced in?—I must answer that question both ways. You see some people like to go in, and other people very much dislike to go in.

320. But in the case of those who like to go in, can you conceive why they like to go in?—Simply because they think they will be a month off regimental duty and get every night in bed and get off a couple of guards.

321. Any other advantage?—I do not think so. Their work would not start much before 10 o'clock in the morning in the canteen.

322. (President.) Do you think the canteens could be better arranged than they are?—Not the Royal Artillery canteen—not to any great extent except in having it less exposed than what it is. You see it is the small places that are affected. When we came home from India we went to Dorchester and had a canteen there; there was just simply the canteen where non-commissioned officers, gunners and drivers were all together, and we used the corporal in looking after the place and two gunners to assist him.

323. (Major-General Eaton.) Did you say that out of the profits of the canteen at Woolwich each man was given 2*s.* in cash?—In goods. If he goes on leave he get 2*s.* in cash, and if he remains behind that 2*s.* is spent for his benefit on Christmas day, and every child 1*s.*, and every married woman 5*s.*

324. (Colonel Lambert.) You are aware—in fact all the men who take any interest in it are—that there is in the canteen an unascertained profit on the beer of never less than 7 per cent. It seems that in a sergeants' mess

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there is no unascertained profit at all?—No, there is not.

325. (*Colonel Bridge.*) How would you like to have the mess managed for you by a contractor taking it over and doing the whole thing, caterer and everything else, and having no sergeants managing it?—It would save us a good deal of work, and I do not see why it should not work properly. It would give the pensioners an opening for good solid employment to start with.

326. Putting aside the question of pensioners, would you like to have a civilian contractor taking over the

mess under supervision to see that you got the liquor you required of course, and that he should present his accounts to the Commanding Officer so that there should be no question of management by treasurer, caterer or anybody else from the troops?—Yes, I should very much like that myself, if it was put to me.

327. Do you think it would be the general wish to have that done?—Yes. I am speaking of the man that has to work at that when he has got other work to do perhaps.

The witness withdrew.

*Gunner J. J.
Coughlan.*

Gunner JOHN JAMES COUGHLAN called in and examined.

328. (*President.*) We want you to tell the Committee something about your canteens, whether you see any way in which they could be improved, or whether you have any objection or any fault to find?—I think the Royal Artillery canteen at Woolwich could be improved a lot.

329. How?—You go there for a drink and you have to wait about a quarter of an hour to get your checks; you form up one behind the other and you have to wait a quarter of an hour. Then when you do get your checks you have to stop at the counter, and there is only one man serving inside the bar, and with a lot of troops like there is at Woolwich, you have to wait over half an hour for your drink. Then, say you are getting a pint of mild and bitter, you get more mild than you do bitter, and if you speak about it of course they give you check.

330. Who does—the man behind the bar?—Yes; and the bar altogether is too small for the troops there.

331. You want the canteen to be made a bigger bar?—Yes, a little bigger.

332. We have just had evidence that the canteens are too much of a drinking bar, and not sufficient of a refreshment house?—We used to have bread and cheese during the week there, but the bread and cheese is stopped off, and we can only get it on Sunday afternoon. And the Royal Artillery coffee bar is closed from two o'clock to half-past four in the afternoon, and you cannot get any bread and cheese.

333. You cannot get any food?—No, until half-past four.

334. You can only get drink?—Yes.

335. And that with difficulty after a long waiting?—Yes, after a long waiting, especially on pay day. We have three taps, three engines.

336. Is the liquor that you get to your liking?—Sometimes, and at other times very bad; it has been reported to Mr. Barlow in charge of the canteen.

337. Is that the manager?—Yes.

338. What do you do when the beer is not to your liking?—You report it to the sergeant who is on canteen duty, and then you go to Mr. Barlow and tell him.

339. You cannot get food with your beer except when?—The coffee shop is closed every day now at two o'clock, and opens again at half-past four. At one time we used to have some bread and cheese in the canteens, but now you can only get it one day in the week, that is Sunday.

340. When is the canteen closed at night?—At half-past nine.

341. Is it open all day?—Yes.

342. And it is nothing more than a drinking bar?—That is all.

343. You cannot get any food?—No.

344. You cannot play any games?—No, it is not fitly got up at all.

345. Is there any place where you can go and have a quiet game of dominoes?—There is no such thing in our canteen.

346. Is there any such place at Woolwich for the soldier?—There are a couple of soldiers' homes.

347. (*Mr Harwood.*) But not in barracks?—No, not in barracks. We have got two libraries.

348. (*President.*) In the barracks?—Yes, in the barracks.

349. Are they used at all?—Yes, the main library is used where you pay to belong to it. Then we have got what you call a free library. There are no games in the free library, only papers and writing materials.

350. And in the library for which you pay to be a member, what recreation can you have?—You can have dominoes or anything you like.

351. (*Captain Boehmer.*) Billiards?—Yes.

352. (*President.*) What is the subscription?—Three-pence a month for the rank and file.

353. (*Mr. Harwood.*) Can you get any refreshment there?—No.

354. Not coffee or anything?—No.

355. (*President.*) Is that library largely used?—Yes, it is.

356. What sort of attendance have you ever seen there?—There is always a very good attendance.

357. Do you think it would be a good thing to have these recreation rooms and the canteen under one roof?—In some canteens. It would be a great advantage to get a skittle alley, for instance.

358. Have you a skittle alley?—No.

359. (*Mr. Harwood.*) About this library where you say you can play games, have you to go in any particular dress or do you go in fatigue dress, or is there any condition about that?—No, you can go in in any fatigue clothes you like.

360. (*President.*) Is the canteen in a good place so far as getting to it; is it accessible?—It is in a good position, but the check-box is in a very bad place—where you get your checks for your beer. The check-box is just close to the bar, and they all crowd on to the check-box, and you cannot get to the counter very well.

361. (*Mr. Harwood.*) What do you pay for a glass of beer?—Mild and bitter 2d. a pint; mild ale 1½d. a pint. I have been in Woolwich six years, and I never went for the mild ale.

362. What is bitter a pint?—Bitter is 5d. a pot.

363. (*Captain Boehmer.*) Compared with the quality outside in a public-house, do you get better beer for your money inside the barracks or outside?—You get better beer in the canteen than what you would in public-houses in Woolwich.

364. (*Major-General Eaton.*) Do you mean to say that there is no refreshment bar in the canteens in Woolwich?—There is a coffee-bar behind the canteen, but it is closed in the afternoon; just when a man would like a bit of bread and cheese it is closed.

365. (*Colonel Lambert.*) You have been going, you say, for six years to the Woolwich canteen?—I have been stationed in Woolwich for six years.

366. But you go to the canteen?—Nearly every day.

367. You see a deal of money paid over the bar?—I see checks paid over.

368. And you see a deal of money paid into the check-box?—Yes, a lot of money.

369. Did you or your comrades ever think of all the profit that goes there?—My men speak like this: They see the brake driving, and they say, "There is our profit going on that."

370. What brake is that?—The Royal Artillery brake. That is what I have heard them talk.

371. (*Major-General Eaton.*) What do they do with the brake; who goes in it?—Officers of all ranks.

372. What do you mean to say is the idea amongst the men?—What they say is: "There is the canteen fund going there."

373. It is the idea among the men, is it, that the officers' brake is supplied from the funds of the canteen?—That is the cry. I have just heard the words myself a couple of times.

374. (*Colonel Lambert.*) So that you do not know what becomes of the profits that you and all your comrades make?—No, we do not get much out of the canteen; we get a bit of refuse money from the fund. Then at Christmas time they give us about a shilling a man out of the dry canteen.

375. And you think you ought to get more than you do?—Well, I should think so.

376. (*Colonel Bridge.*) How about the prizes for the sports?—The prizes for the sports are very good.

377. That comes out of the canteen fund, does it not?—Yes.

378. You know that?—Yes.

379. And how about the football and cricket ground?—Yes.

380. And all sorts of amusements and athletics for the men?—Yes.

381. Is not all that paid for out of the canteen fund?—I do not know. I think the men themselves pay so much a week for that.

382. But any large undertaking such as levelling the cricket ground or buying new goal posts, does not that come out of the canteen fund?—Well, they might put a little to it.

383. Only a little to it?—Yes. There is the married families' help comes out of the canteen fund.

384. Are not men helped when they move—the families of married men on the strength; do they not get help from the regimental fund?—I do not know, I am not married myself.

385. (*President.*) If you had the right to spend all the profits that are made out of the canteen for the benefit of your men, how would you spend it?—On recreation.

386. What form of recreation?—Recreation rooms—a bit more amusement—there is nothing much to do in Woolwich. We want a skittle alley down there. There is a big room behind the canteen, and a big singing room upstairs.

387. Have you any opportunity of making known your wishes to the management committee—to the officers who manage the canteen?—No.

388. Your advice is not asked?—No.

389. And you have no opportunity of making it known?—No.

The witness withdrew.

After an adjournment,

Colonel H. B. JEFFREYS, R.H.A., called in and examined.

407. (*The President.*) What district do you represent?—I am sent up from Aldershot.

408. To give us evidence?—I am at present commanding officer of the Artillery canteen, Wellington lines.

409. That is the canteen specially, I suppose, belonging to the Royal Horse Artillery?—No; Horse and Field, Wellington lines—six batteries; it is for two brigade divisions. I have a certain general knowledge of other artillery canteens.

410. Perhaps you will be kind enough to give us your views as to how canteens ought to be managed in the interests of the soldier?—I am entirely in favour of the tenant system as opposed to the regimental, because during all my service I have seen the difficulty, I may say the impossibility, of finding officers to manage the canteen who are up to all the tricks of the trade, the grocers and brewers; and also on account of the very great waste of the valuable time of the officers under the old system, especially since the locked tills were introduced into the regimental system. It used to take our subalterns two hours every morning, when they ought to be on parade, counting out dirty, beery coppers, and carrying them to the bank, which was not their work and a waste of their time.

390. Have you any other suggestion to make?—No.

391. (*Colonel Bridge.*) Do you think it would be a benefit to the soldier if he was allowed to take his beer over and have a glass of beer with his supper, or whatever it is that he gets in the recreation room or supper room?—It would be better if he could, but there is a notice posted up in our canteen that no pots or vessels are to be taken out of the canteen.

392. And in the same way do you think the men would appreciate it if they were allowed to have a pint of beer with their dinner?—Yes; and there are no civilians allowed in the canteen; if you have a civilian come to see you, you cannot take him into the canteen.

393. (*President.*) How is the beer supplied?—In glasses and pewter pots.

394. Each man has his own glass?—Yes.

395. (*Colonel Bridge.*) Have you experience of any other canteen, or are you just speaking of Woolwich?—Just our own canteen.

396. (*Captain Boehmer.*) Were you out in India?—I was in Africa for some years.

397. There was a canteen there?—Yes, and we used to have a good canteen out there. We used to have a skittle alley and everything else there.

398. (*President.*) The only recommendation you have made as to the management of the canteen it is that it should be made a little easier for the men to get drink quickly?—That is it.

399. Is that the only alteration you can suggest?—That is all.

400. That is to say, drink is served too slowly?—Yes.

401. (*Mr. Harwood.*) Do you advise the soldier being able to get beer with his supper, or food with his beer? You said he used to have bread and cheese, but cannot now except on one day of the week?—Yes.

402. Do you think it would be an advantage if you could get it every day?—Yes.

403. Would it be an advantage, or advisable, if you could get beer where you play games?—That would be all right.

404. Would it be good or bad?—Good.

405. Supposing whilst you played games you could have a glass of beer, you think it would be a good thing?—Yes, but you are not allowed to play them in the canteen.

406. (*President.*) What you want is recreation rooms and a skittle alley?—Yes, something to keep you in of a night.

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411. So that you are in favour of the tenancy system?—Yes, entirely.

412. And in your canteens who are the tenants?—We have lately, in the last six months, given our canteen to the Canteen and Mess Association; before that it was regimental.

413. Has it answered to do so?—Yes, it is very satisfactory.

414. It is an improvement upon the old system, you think?—There is very little difference as regards the sales. We have reduced the beer sales a little, which is what one wants, and increased the sales of the coffee bar, which is what one wants.

415. What measures have you taken to increase the coffee sales?—We have tried to make the coffee bar more comfortable; we have lowered the prices a little, and we give them better value for their money; and we pay frequent visits, laying great stress on cooking and such things.

416. Do you control the Canteen and Mess Association's servants?—Entirely.

417. Have you a supervising committee?—Yes; I am Commanding Officer of it, and we have a committee of three besides. One of the majors is a member of it.

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The Association is most ready to work with us in every possible way.

418. And they give you all the profits above a certain fixed charge?—I do not put it forward as the best possible method, but with them at present they pay us 150*l.* a month.

419. (*Colonel Bridge.*) How many men have you?—About 900 men.

420. (*The President.*) I understand you to say that the tenant system, as illustrated by your contract with the Canteen and Mess Association, is an improvement upon the old system, but that it is not such a good system as you think might be adopted?—No, I did not say that; but I do not hold up our contract, because in some ways I am inclined to change it myself. Instead of having a fixed sum I am inclined to take all their profits.

421. Do they keep all their profits?—They simply pay us 150*l.* a month now.

422. And they keep all the surplus profits?—Yes; and I was meaning to consult them about another arrangement, which I think would be better, perhaps, than that.

423. What was that proposed arrangement?—For them to make the wholesale profit, and to take their working expenses, and then to pay us their retail profit.

424. Practically they would work as your agent, you paying them a remuneration for their services?—Yes, it would be so in a way.

425. And you taking the whole profit for yourselves?—Yes, taking the whole retail profit. I may tell you that Dickeson is doing that with two of the artillery canteens at Aldershot. We have four other canteens besides the one I am managing. Dickeson is running two of their canteens.

426. How much does Dickeson pay?—Dickeson runs the canteen at Ewshott, a canteen for three batteries, and repays 2*s.* 6*d.* per man per month, or 12*l.* 10*s.* per 100 men—that is the minimum; and by the new contract which I understand has been made, I believe they have received orders from superior authority (I am not quite sure whether it came from the General Officer Commanding in Aldershot or from the War Office), that they are to have their accounts examined every three months by a chartered accountant, and the balance of the retail profit, over and above the 12*l.* 10*s.* per 100 men, is to be paid to them.

427. What is the profit they are allowed to keep for themselves?—Only the wholesale profit, according to that.

428. All the profits on distribution are to go to the regiment?—Yes.

429. After paying working expenses?—Yes.

430. Then where do Dickesons make their profit?—I am inclined to think it is simply a struggle. As you know, there is a very high feeling just at present between some of these big firms, and they are very much afraid of the Canteen and Mess Association getting a foot in; and I think they are making a push for the trade. It is a kind of tobacco war.

431. It is offering services for nothing?—I very much doubt whether they will get much benefit out of it in the long run; but they are doing it at present.

432. Let me put it in this way. Dickeson has a certain share capital, I suppose?—Yes.

433. He has to earn a dividend for his shareholders?—Yes.

434. I want to know what is the dividing line; when does the surplus profit begin to arise?—According to the agreement he has simply to pay on the wholesale profit; the profit on the wholesale trading.

435. Who is to decide what price he debits the retail account?—You are in his hands there, and with regard to the quality of goods you trust to his honour.

436. It is a question of bookkeeping?—If he is putting in to you sugar at so much a bag you trust to his honour to give you the same quality of sugar in the next consignment, at the same price, I imagine.

437. Then it is to his interest that the retail shop should pay as large a price to him, the wholesaler, as possible, because he gets all the profit on the wholesale?—Yes.

438. And none on the retail or distribution?—No.

439. So that if he is distributing and has to pay a large wholesale price there will be a smaller surplus profit to give to the soldier. I do not know if you see my point?—Not quite.

440. I understand that he makes a profit on the wholesale transaction?—Yes.

441. And none on the retail?—I do not know what the custom of the trade is, but I imagine if they buy a large quantity, even if they sell it to us wholesale, the price is at a profit; they put it in at what they call the wholesale price, but it is a profit.

442. What is the profit—that is the question. Is it the lowest price you can get it for in the market?—I cannot tell you.

443. There is no security for it?—None whatever, except that if you are not satisfied you can go elsewhere.

444. (*Colonel Lambert.*) We should be right in assuming, should we not, that the advantages in the case of a tenant who is wholesale and retail and gives the whole of his retail profits to whoever he supplies, his profits would be analagous to those of the tied public house owned by a brewery?—I think so. I imagine it is parallel.

445. (*Mr. Harwood.*) But when you say the wholesale profits, the man may put it all into wholesale profits. I buy a keg of butter at 15*s.*, and I call the price 1*l.*?—That is it; and unless it is intended to have an accountant who examines the books every three months to go into that, you cannot check it. I cannot tell how that will be.

446. (*Captain Boehmer.*) But do Messrs. Dickeson leave it open for their books to be inspected as to prices?—That I cannot tell you. I have had no personal dealings with them.

447. And the Canteen and Mess Association, do they?—I believe why my General, Sir George Marshall, took the Canteen and Mess Association, was simply on account of their trading on the system of not wishing to make profits.

448. (*Major-General Eaton.*) They have to make 5 per cent. to pay their shareholders?—Yes, but that is all. What grocer is content with 5 per cent.? The shareholder is limited to 100*l.* and 5 per cent., that is why we went to them.

449. (*Mr. Harwood.*) May I ask you with regard to the Canteen and Mess Association, what motive is there there?—Philanthropy entirely; it was started for philanthropy by Lionel Fortescue, of the 17th Lancers, who was killed in S. Africa, and Major Crawford.

450. (*President.*) We shall have evidence from them. Now will you give us any of your ideas as to how the canteens could be improved for the benefit of the soldier. We have had evidence before us this morning from some non-commissioned officers and privates that they are rather too much of a drinking bar?—Lord Roberts's wishes have come to us about that; he wishes to separate the whole of the drinking part from the refreshment part, and on that circular (which I think went all round to everybody) we had to put forward means for the improvement of our canteen. Of course, as usual, it was to be done without expense, and that was the difficulty; he would like a separate building. We cannot build a separate building, but I did put forward a scheme to separate the beer and keep it to one part entirely. The main thing is to transfer the theatre, where we have performances every night to try and keep the men in barracks. That theatre is now in the drinking part. What we propose to do is to transfer that theatre to the other side away from the drinking part.

451. And all under the same roof?—It must be under the same roof because we cannot build another building. If that were carried out (we have not got the sanction from the Aldershot headquarters to do that yet) the real drinking place would be entirely separate at one end of the building, but we should allow one pint of beer to every man who bought supper, that he could have with his supper, but nothing else in the refreshment and amusement part of the institute; and if we could do that I think myself it would be a great improvement.

452. (*Colonel Bridge.*) Putting it another way, the idea is to make the attraction of the dry canteen superior to the wet?—Yes, and to treat the soldier as a responsible being.

453. (*Mr. Harwood.*) What do you do with the 1,800l. a year you derive as rent from the tenant—150l. a month?—We pay both the rebate on all the grocery bills to the bachelor messes, which goes to cheapen their messing, and keep a regular account of it; and we pay a rebate to married families on their books; they all keep little books when their purchases are made, and they get a 5 per cent. rebate on all they buy. Then grants are made to the batteries in aid of certain little battery funds of small amount, and cleaning materials, soap, and black lead, stuff they would have to buy otherwise. Then we have the money to pay for our sports; and refreshments to the guard, that goes on all through the winter, they are given hot coffee all night; refreshment to drafts going to India; in fact, all the authorised expenditure according to the King's Regulations.

454. How much of that 1,800l., roughly speaking, would go in rebates; what proportion? The co-operative principle is to grant it all in rebates—two-thirds is given back in rebates?—Then we should have nothing else to spend; there is so much to do with it, with cricket, and football, and all the rest of it.

455. (*Colonel Bridge.*) It is part of the rebate?—Yes.

456. (*Captain Boehmer.*) There is only one question that I wish to ask you. Is it not the fact that just at present, owing to the Canteen and Mess Association having been started I do not know how many years ago, but I think as far back as 1895, it has had a struggle; and would you not say with your experience of canteens that it is a fight practically between Cox, Dickeson, and Lipton versus the Canteen and Mess Association, and that they are reducing prices to where there is practically no profit for them all round?—It can only be matter of opinion. It looks very like it.

457. It is a sort of three-cornered fight; there are three firms fighting the Canteen and Mess Association; is not that so?—It may be. I cannot tell you of my own knowledge.

458. Then there is another question with reference to that. Is it not the fact that since the Canteen and Mess Association has been started the prices of groceries have come down from 15 to 20 per cent. when brought into canteens; that you pay a lower price now than you did five years ago?—But then that is the case everywhere, is it not?

459. No?—It is with sugar.

460. There has been a great cheapening with sugar, I know, but is it not the fact that since they tried co-operation prices have gone down in the canteen all round for the soldier?—I should not like to say what I am not certain of. I could easily look up any particular question you wish that I should take notes of and send you the information.

461. I have seen it stated somewhere in the papers that since this fight has been going on to try and smash the co-operative service it is an absolute fact that prices have gone down 20 per cent. I do not know whether it is so; I have not had the management of a canteen?—I cannot say.

462. (*Colonel Lambert.*) Do you have a sergeants' mess?—Yes.

463. Do you know at all what the numbers are, roughly—either the gross numbers or the dining members?—I have not the management of the sergeants' mess, but we have it for six batteries; the Colonel of the Field Artillery runs the sergeants' mess, and it has just been handed over to the Canteen and Mess Association also.

464. (*Colonel Bridge.*) Regularly, to a tenant?—Yes. I was asked something about what I thought was the best system.

465. (*President.*) Yes; I should like to hear anything you have to say about that.—I am rather frightened of the War Office scheme that we are promised.

466. I should like to hear your views on it?—I am afraid, unless they happen to find a military Lipton always available to manage it, it is rather a dangerous scheme.

467. Would you describe the War Office scheme?—As I understand it, it is to set up a big central organisation to supply the whole of the canteens.

468. And dividing the profits?—So far as that goes, it would be all right, but the question would be whether they always bought in the best market, and whether

they were sufficiently businesslike to run the thing well.

469. Have you had any experience of the industrial co-operative movement?—No. It seems to me that we could work along pretty safely with the tenant system, leaving the source of supply to us, and keeping up a wholesome competition between the various firms and the Canteen and Mess Association, combined with a good system of inspection. If an officer not be found who was up to the tricks of the grocers and brewers, a civilian might be employed, or one for the brewery industry and one for the grocery interest in each Army Corps, to go round and take samples, and compare the stuff and compare the price lists; then, I think, the soldier would be sufficiently guarded, and would trust to the general competition in the trade instead of making the supply a War Office monopoly, which might be well managed or might not.

470. To leave each Commanding Officer to make his own arrangements?—Under the General Officer Commanding the Army Corps.

471. And put it under the Canteen and Mess Society?—Or Dickeson's, or anybody who would accept tenders and have competition. That is my idea of the best way. I may say that I have had no complaints whatever since I have changed in our own canteen. I know that they have been writing in the papers at Aldershot about some complaints, but I go in and ask the men repeatedly over their suppers, and what not, and have not had a word of complaint about quality or quantity.

472. You want to be able to buy in the best possible market at the lowest possible price, and then secure all the profits you can?—Yes, to secure the best profits we can for the soldier.

473. And the only question is how to do it?—Yes.

474. And you think every General Officer Commanding should have full discretion?—Yes.

475. (*Mr. Harwood.*) Do you think it should be done collectively or individually? Should it be done for the Army as a whole or should each general do his own?—I should leave the source of supply unfettered, subject to a recognised system of expert inspection.

476. Would the source of supply be unfettered, supposing you did it collectively; supposing there was one large organisation to buy the supply of all the canteens, that organisation might go to all the sources of supply that were open?—But, as I said before, it comes back to this: Can you insure that military Lipton who would do it?

477. On the other hand we have had the evidence of Colonel Farmer, who laid great stress upon the fact that because he managed a large canteen which was a large buyer, he was able to buy much more advantageously than the small canteens; would not that principle apply where you gathered them together; that we should give that advantage to small canteens. Now the small canteens cannot be buyers on your plan?—Are you not a little bit mixing up the regimental system. Under the tenant system we put ourselves into the hands of a big firm, whether Dickeson's or the Canteen and Mess Association.

478. But we have had comparative figures given to us to-day as to small canteens and large canteens, and the small canteen only paid 2s. 6d. per man, whereas the large canteen received from the tenant 3s. 7½d., and the explanation was that of course the small canteen cannot be managed to the same advantage as the large canteen?—The working expenses must be more *pro rata*.

479. The idea, I think, in Lord Roberts's mind is that where you have one large organisation, buying very largely, you could give the advantage of wholesale buying to the smaller canteens in a way they cannot get it now by your plan?—It all comes round again to that question of management. If you have a king of grocers as the head of the War Office affair, it may do well. But they may have great losses, they may buy disadvantageously; I doubt their beating a man whose trade and profession it is—men like Dickeson's who have been in the trade all their lives.

480. But it is not a matter of beating in that way; it is a matter of giving this advantage to these small canteens. I can quite see that in this case of Woolwich, it would be difficult to think of a system that would be better than the present system possibly, for a large canteen like that; but on the other hand, where there are small canteens, how are we to give them the

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advantage of wholesale buying?—Because the small canteen is supplied by a big wholesale firm. The same firm that supplies Woolwich may supply a small canteen at Trowbridge or Coventry. If you go to a trader in the town, it is a different thing. We have tried to encourage local trade in the town, and have always had to give it up.

481. There is, I know, a strong feeling in the House of Commons, and I want to deal with it, that we are interfering with the local people, and they are organising a strong opposition. I wanted to be clear upon that point; that it is quite the other way?—Yes.

482. (President.) You mean that the local tradesmen would not care whether it was Lipton, Dickeson, or the Canteen and Mess Association?—No, we use all our local tradesmen exactly the same as before we went to the Canteen and Mess Association—except Dickesons; and he is not a small local man, he is a big wholesale firm; but otherwise, for the bread, milk, vegetables and meat, we use precisely the same local firms as before.

483. (Mr. Harwood.) And Dickesons would have to use the same people, would they not, and the Canteen and Mess Association would have to use the same people?—Yes, all those things are bought locally just the same. The only people affected are those big grocers.

484. You are aware of the character of the co-operative movement started by the working classes?—Yes.

485. They have got now a turnover of about 70,000,000*l.* a year, and the membership is about one-and-a-half millions, representing a population of about 6,000,000. These working classes by their own brains have organised a system which enables them to organise wholesale buying on a large scale on very advantageous terms to all the members of their community?—Yes.

486. Do not you think that it might be possible for the officers of the British army to do for the army what the working classes have done for themselves?—Do not you think that among these working classes they might more easily be able to find men whose particular bent and whose trade in life rendered them more suitable for that than officers?

487. They have to elect out of their number paid managers, the business is so big?—An officer's training is hardly such as to fit him for that. You might, of course, find your exceptional man, but I think it would be difficult.

488. I am not suggesting that the management should be confined to officers; but whether you could not organise a system that should enable you to do your collective buying for all our canteens in a way that should benefit the soldier and secure the whole of the profits on the wholesale business as well as the retail business to the soldier, as the working classes have done for themselves?—I know that it is possible,

The witness withdrew.

Major-Gen.
Sir W.
Gatacre,
K.C.B.,
D.S.O.
—

Major-General Sir WILLIAM GATACRE, K.C.B., D.S.O., called in and examined.

499. (President.) You come here to give us evidence as to the working of your canteens in your district?—Yes.

500. The Committee would be greatly obliged if you would make a statement to them on the subject. You represent the Colchester District?—Yes, the Eastern District. Our canteens are 16 in number, and of that number we have 13 garrison or regimental canteens, and three worked by civilian agency. The result so far as the soldier's benefit is concerned is entirely on the side (I am only giving you my opinion, of course) of the regimental or garrison canteens. Financially, I do not think that there is much difference between the working of the two, but so far as the soldier's benefit is concerned, and experience to the young officers in accounts, and working in the soldier's interest, and so on, I think it unquestionably goes with the regimental canteen.

501. That is the moral result?—Yes, that is my belief; there are many points about it. Of course, when I say that, I do not refer to short periods such as a month in camp for militia regiments, and a week in camp for volunteer regiments, which is quite a different thing. There you have not the necessary machinery to work the thing for a week; it wants a very

but one cannot help thinking that there is a danger of its going wrong. Besides we can now, if dissatisfied with our goods, change our source of supply, whereas were the War Office central agency established we should have to take whatever it gave us.

489. (Colonel Bridge.) When you were saying that Lipton could buy better than the Wholesale Co-operative Society, is not that fact somewhat discounted by the fact that he is looking at it in two different ways? He must look to the interest of his shareholders?—I do not remember saying that he could buy better than the Canteen and Mess Association.

490. Better than any co-operative society at all?—What I throw doubt upon is that the army organisation is a gigantic thing to tackle, and it would be entirely dependent upon getting the very best men. It might be a success. I think it is a danger.

491. (President.) What arrangements are made for your men at Aldershot for their recreation, that is a part of the canteen question; what rooms have they for recreation and facilities for games?—We have a theatre, with a performance every night, songs and so on, from about 8.30 to 9.30; and then we have a room with three billiard tables.

492. For what force?—For six batteries, about 900 men; and then we have an upstairs room with lots of newspapers and a lending library.

493. What do they pay for the billiard table?—I forget what it is, it is some small sum, I think 2*d.* for 100. Then they have a library upstairs with all the papers, and if any man wants to write a letter the librarian hands him out a sheet of paper and an envelope. That they pay a separate small subscription for. The use of the library is optional, but practically almost every man uses it. Then, of course, they get grants in aid of their games; cricket and football.

494. That comes out of your canteen profits?—Yes; and for sports they get a big grant—for athletic sports.

495. Are the men consulted at all how they would like these profits appropriated?—There are committees, but one's general experience of committees is that they do not propose very much, they leave it very much to the officers.

496. They have the opportunity of making their wishes known?—Yes.

497. (Mr. Harwood.) Is there any idea amongst them that some of the profits go for the officers' amusements?—I have no doubt they have the idea, I have not the least doubt of it, and you will never get it out of their heads.

498. (President.) Until they are associated in the management in some way?—Then they would not trust their own members. There are certain sergeants and accountants who must know better, but it does not filter through to the rank and file.

well practised machine to start it on one Sunday and chuck it out of gear the next Sunday. Therefore, for the militia for a month, or for the volunteers for a week or a fortnight, I should say take Dickeson, or whoever the civilian agency may be. But for our permanent military establishment the use of the regimental system is good, because the only object the regimental machinery can have is to benefit the soldier. In these days, and I suppose in any day, nobody does or has done anything for nothing, and therefore the outside agency, the civilian agency, if it does work for you and supplies your men, naturally expects to get an advantage out of it; and, so far as my experience goes—of about 40 years now—I should say they get a very good thing out of it. The outside agency will say, we will give you 6*l.* 10*s.* or 7*l.* per 100 men per month for working your canteen. What does that run to? It runs to about 1*s.* 9*d.*, or something of that sort, per man per month. Why it is 4*d.* per day. Young soldiers will eat a great deal and will drink a little, the old soldiers, the reservists, will drink a great deal and eat a little; but it all means that the total is a very large one. Now this list of the turnover that I have in my hand will show you a good deal. There is no drinking in the army now-a-days—I mean, speaking generally, there is no such thing as heavy drinking. The

men now eat instead of drinking—and a very good thing too. The turnover in each case shows that, if you look at the difference between the dry canteen and the wet canteen. (*Handing in the list.*)

502. Would you just for the benefit of the Committee state the particulars?—Here are my different canteens. There is the remount dépôt—that is the dépôt in charge of remount horses—numbering about 250 men; it varies very much according to the number of horses, of course, about 250 men is the average. That is under the tenant system; Messrs. Dickeson and Company hold the contract. I am unable to say what they turn over, because when you ask them they say, “we cannot tell you.” The 25th Brigade Division is managed regimentally. The average monthly turnover there is about 129*l.* in the beer canteen; and in the dry-goods canteen it is 232*l.*; nearly double. The men in the Remount Dépôt are middle-aged soldiers, a few old men and a certain number of young ones.

503. May I ask what the term dry goods includes?—A coffee-shop, anything.

504. Groceries?—Yes, everything.

505. Does it include any clothes?—No; pipes, tobacco, food of all kinds, cheese, small articles useful to the soldier, bootlaces and all the rest of it; but, principally, it means eatables, supper. The 55th Company Royal Engineers is on the tenant system. The Engineer Company is quite a small unit, and it would be difficult for them to start a regimental thing on such a small scale. They can do it, but this company is only just raised; the tenant is Messrs. Moore and Sons. There, again, they cannot tell us the turnover. You never can get it out of these people; they will not tell you; but they allow a rebate of 6*l.* 10*s.* per 100 men per month. That, of course, forms a fund from which the officers give all sorts of thing to the men, in the same way that amusements are provided and assistance is given from the canteen funds, the coffee-shop fund when worked, by means of the regimental agency. The 9th Provisional Battalion consists of details of three regiments: the Norfolk, the Suffolk and the Bedford. The dry part of that, that is the food part of it, is worked by Dickeson and Company, and they cannot tell us anything about it; they do not know how much profit they make. The wet part of it is the Garrison Canteen, that is to say, we work it by Garrison Agency instead of Regimental Agency, but it is practically the same thing. It means that it is worked by the permanent staff instead of by the regimental staff, this has certain great advantages.

506. You get continuity of administration?—You get continuity of administration; you save selling out and buying fresh, and all the rest of it.

507. You are in favour then of substituting the garrison agency for the regimental?—Yes, in large garrison towns. But most of our places are small and have hardly any troops; therefore you must have regimentally managed canteens. All the rest of the canteens are regimental. At Norwich in the beer canteen the turnover is 63*l.* 19*s.* 2*d.*

508. Over what time?—This is the turnover in a month; while the food turnover is 180*l.*, or three times as much. At Bury St. Edmunds (these are all small dépôts) it is 89*l.* 15*s.* for the beer canteen; the food canteen is 131*l.* 14*s.*, nearly double. At Bedford the beer is 88*l.* 10*s.* while the dry goods is 98*l.* only. There is a reason for that. The barracks there are a long way off the town, and, therefore, when the men go out for their afternoon walk it is too far for them to come back for their supper, and they go and have it in the town, and, therefore, as they do not have it in the canteen, less money is taken. At Warley it is 136*l.* for beer, and 432*l.* 19*s.* for the dry goods. There is three times again; showing that the young soldiers of the present day (they are all recruits there—just caught) all eat and do not drink; there is no such thing as drinking now-a-days in the Army, except a few men who always will get drunk—you cannot stop it. If we brought in the tenant system it must be the object of the tenant either to give cheap beer, and thus encourage the men to drink, or bad beer, and make them thirsty, and so make them drink. Then the old order of things might return and you would find that kind of thing reversed; that is to say, the beer will be three times what the food is. I have been long enough in the Army to remember when the amount of beer consumed greatly exceeded the amount of food. My regiment, I believe, was the first, or one of the first, to start the

coffee-shop system; it was 40 years ago exactly, and in those days the beer was everything and the food was nothing. Of course, I quite know that one wants to make much of the coffee-shop system, but if you want to do that you must keep the men in barracks to make the coffee-shop system pay. If you do not give them some attraction in barracks they will go out to the public houses where they get attraction, that is to say, cheap music and women and all the rest of it. If you give them sufficient attraction in barracks they will stop in barracks; but to do that you must get a certain profit, and the only way to get that profit, giving the men every advantage of it, is to keep it in regimental or garrison hands. In the Eastern District we have, I believe I am right in saying, but I think certainly for the last six or seven months we have had less venereal than any district in England or Scotland. Our venereal list, which is closely connected with the canteen, has been three, four, five, and six; such a thing has never been heard of, and the reason of that is that we have a good entertainment fund which we spend liberally and thus keep the men in barracks; they drink very little beer and every night they have a really good entertainment. The consequence is that they spend their evenings in barracks, eating a good deal and drinking very little, and they do not go out. If a man goes to the pot-house he gets there a piano and music, the liquor goes to his head, and all the women in the town go there and he comes back and has venereal. We have scarcely any venereal at Colchester.

509. So that summarised your conviction is that the moral result of the regimental principle, running the canteen in the interest of the soldier, is very much greater?—Yes.

510. Although there may be a financial loss?—Financially there is very little difference.

511. There may be a loss; but even if there were a loss you would prefer the regimental system on the ground of morality?—There cannot be a loss. You may have less credit, but you cannot have a loss.

512. You might make more money by letting out your canteen to a tenant?—You might.

513. But even if you did you would prefer to keep it in your own hands?—Yes, because it is in your own hands. Any outsider must take it up for some other advantage; it cannot be philanthropy, they must make something out of it and a good deal out of it, otherwise it is not worth their taking it up.

514. What opportunities do you give your men, your rank and file, for expressing their wishes as to the appropriation of the profits that you make from your canteen?—The Commanding Officer knows his men's wishes and wants better than anybody else; he is the only man that can deal with it. We say “there is your money, do what you like with it.” Every quarter we strike a balance and hand over to him his fair share of the profits according to the strength of his regiment. Of course every detachment of the garrison canteen or the regimental canteen has a share of the profits.

515. But is there any opportunity given to the men to express any wishes of their own on the points of management in connection with the canteen, or is it all done by the officers as they think fit?—The wishes of the men percolate upwards through the non-commissioned officers of the regiment, beginning at the corporals. There is no object in a Commanding Officer giving his men out of that money a lot of stuff that they do not want, because they chuck it away. The Commanding Officer generally says to his company officers, “What do you want?” “What is the most useful thing for you?”; and in many cases he divides it into eight parts, so much per company, and says “Do what you like with it.”

516. And the company officer consults his non-commissioned officers?—The first man is the colour-sergeant, who ought to know exactly what every man wants. In the present day they are not satisfied with asking the colour-sergeant, he is not infallible; they ask the men what they want. The British soldier of to-day is not what he was, of course. In old days if you put a piano or cracked violin into a room and took men there they would sit there all night. They will not do that now. Unless you give them a good entertainment they do not care about it. In Colchester we have a company once a week from London, and you cannot get a seat, you get 700 men into a room that holds 300, every man is there.

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517. We have had evidence from Woolwich on the part of one of the non-commissioned officers that the canteens there are rather too obtrusive upon the public view, that they offer too great a temptation to the men to go into the canteen, and he suggested that they might be put a little more out of the way so that the men should have to seek the canteen rather than the canteen attract the men?—You get a certain number of men who are always thirsty, and want a drink. If you get a London regiment, they want spirits. If you get a country regiment, they drink beer; and they will always go and find it. But there is no drinking now-a-days; there is too much blue ribbon about. The thing we want is sobriety, temperance, and that sort of thing.

518. Evidence has also been given before us, that it would be a good thing for the soldier if you could make your canteen into more of a club and refreshment house and less of a drinking bar?—We have that; we have the two. According to the old plan of barracks, and up to date they have been always separated and they still are so; because they say that if the man goes into the eating shop he will very likely saunter into the drinking shop in the next room. Occasionally in the old barracks you find a building not according to that plan and they are under the same roof; but it does not make any difference. There is one at Bedford—our turnover last month was 88*l.* beer goods and 98*l.* dry goods.

519. (Major-General Eaton.) Do you advocate the employment of active soldiers under your regimental system employed as canteen stewards and waiters?—We have nothing else. Do you mean men serving or pensioners?

520. Men serving?—Well, I should prefer pensioners if we could get the right class of pensioner; but they are difficult to get. The man who comes and will take a job, as a pensioner, in the canteen, is a man as a rule who cannot get a job at anything else; he has been a failure perhaps from drink; he knows the business and goes into the canteen. He is not a very reliable man and we have had great trouble with him. We have had some good ones, but many bad ones.

521. But it takes many men off their regimental duties?—But if you want to clothe your regiment, you send some men to Pimlico to learn tailoring, you send some to Aldershot to learn cooking, and if you want coal you send the soldier to carry it. You must have the regiment self-contained. If you have pensioners for all the extra military work, your soldiers would never do anything at all. You cannot keep them always at drill. If a regiment is not self-contained, what use is it? None. Say in South Africa, an urgent fatigue duty is required—800 men must go on fatigue. If you have never taught them in England to do any work that falls to their share, how will they do it on service? You must have them taught. If you get soldiers to think that they are enlisted for nothing but drill, you will have trouble when you require arduous fatigues which they consider outside their legitimate duties. I am quite sure that the more you give men to do the better, so long as you do not overdo it.

522. (Colonel Lambert.) I understand you to say that you are entirely in favour of the regimental system, or the system as we have known it hitherto, the regulation system, as against any other system?—Yes, regimental or garrison system.

523. Of course you know all the disadvantages of that, and I am sure some of the Committee here would be glad if you would explain what they are. General Eaton says it locks up an enormous number of men in the Army—it has been computed at from 2,000 to 3,000—constantly employed in this supplying?—When you say it locks them up, you mean it employs them in something else than what you enlist them for.

524. Such would be your experience, would it not?—I would not say that. These men are constantly passing. If you call for a draft for South Africa, what do you do? Take the men who fulfil the conditions required, whether a man is a blacksmith or whatever he is, out he goes.

525. But you supply another in his place?—Yes, and he gets a good training.

526. Those men appear on the pay list as soldiers of the units to which they belong?—Yes, but what is the disadvantage of that? The State must pay for the Army, and if they do not employ soldiers, they must take

pensioners at a higher rate of pay, it comes to the same in the end.

527. If you compare the tenant system with the old regimental system it amounts to an enormous bonus paid by the tax-payer in favour of the regimental system as against any other, does it not?—I do not agree with that, because I do not understand why.

528. The next question I want to ask you is this. Do you think that the officers employed as presidents and members of the canteen committee can be taken away perfectly easily and can perform that in addition to their other duties?—I should say so, certainly—a few minutes in the day.

529. My next question is, I dare say you are aware (nobody better) of the pitfalls there are to men who are not trained in this particular thing, in putting them into the canteen. What is your idea about the disadvantages of that?—Do you mean officers or men?

530. The men; to the waiters and the steward, and such like people, who are employed?—In regard to that, I should say that it is an advantage to them; they are learning something extra to what they have learnt already. I do not see any disadvantage about it; I do not see any pitfalls about it. You take the sharpest men you have got, and the most honest, and put them into the canteen for a time—not for ever—until they are wanted for something else, then you send them away to South Africa and you take others in their place.

531. (President.) Is it your experience that it offers opportunities for bribes, commission money to the men who serve the liquor. One of the witnesses before this Committee objects to the soldier being used for running canteens on that ground?—It depends upon the officer who is the canteen president. The Commanding Officer of the regiment uses his own discretion as to who is to be the brewer. Bribes would go on just the same with the tenant system. I do not see any difference. If the tenant is not a satisfactory tenant he will be complained against, and will have to put his hand in his pocket, in the same way if the principle is admitted at all as a possibility; he will have to pay to keep his agency.

532. Do you make the contracts with the brewer as General?—Yes.

533. On what principle do you proceed in making your beer contracts?—I take the beer that the men like best, regardless of anything.

534. How do you ascertain that?—Through the tasting committee of non-commissioned officers and men.

535. Then you select the beer that the men prefer?—Yes, entirely according to their own wishes.

536. What sort of contract do you make with the brewer?—My contract is always—as long as you satisfy my men you are my brewer; the day you fail I kick you out. We have never had any trouble.

537. Is it understood that if any of the brewers' agents are found tampering with your sellers, giving them a commission upon the amount of beer sold, they are struck off your buying list?—No, I do not think there is any necessity for that if the men get the beer at 4*d.* a quart; we never go above that, excepting the sergeants' mess, where they give 5*d.* sometimes. But if anything of that sort came to my notice they know quite well that they would be dealt with promptly.

538. What do you pay for your beer?—We sell it at 4*d.* a quart to the men, 5*d.* to the non-commissioned officers. Charrington and Nicholls supply us at Colchester—a very good brewery—and Younger's ale; I think he is an Edinburgh man. Those are the two men, I think, we deal with principally. At Norwich we deal with Pattison, a local man. At Bedford we deal with Younger.

539. What does it cost you from your brewer?—I should say 3½*d.*; it varies in different places.

540. You only make three farthings profit per quart?—That is all about that. I could not tell you that accurately.

541. (Mr. Harwood.) Under the regimental system, what do you pay the attendants who are soldiers; they get something extra?—The attendant soldiers get now sometimes 1*s.*, and sometimes 1*s.* 6*d.*; the pensioners 2*s.* 6*d.* We pay the pensioners under the new rule—the men we have got in now—19*s.* 6*d.* to 22*s.* 6*d.* a week.

542. But these are men who are not drawing pay as soldiers?—Yes.

543. Under the tenant system the man to whom you sub-let the canteen has to pay the attendants full wages?—Yes.

544. But when in the regimental system you employ soldiers, those soldiers do not get anything like so much pay?—No.

545. Then one would expect the regimental system to yield a larger profit, because part of the wages in the regimental system comes out of the pocket of the taxpayer?—We make a very large profit.

546. But I should expect you to make a larger profit?—Yes, between the two systems.

547. I should expect the regimental system to make a larger profit, because the nation is subsidising the wages?—But then we keep our prices lower.

548. The Committee want to understand all these things. Naturally, if you employ soldiers to whom you only give a certain extra pay, it is a different thing from employing employes who have to live entirely out of their pay?—Yes.

549. Therefore, in the regimental system you must bear in mind that the nation is paying a portion of their wages?—Yes.

550. And in the other system you are paying it out of your profits?—Yes. And another thing you must not overlook is that we cannot make our own beer, and the brewer sells it to us at his own price; but when he puts it in the canteens he also puts it in at his own price, and he has made a profit out of us already.

551. The expense of retailing everything must be less under the regimental system?—Yes, but the brewer has already made his profit when we get it; whereas if he has got his beer and puts it into his own canteen he

can afford to sell it at a much cheaper rate and still make a profit.

552. I am not speaking of his profit, but of his expenses.

553. (*Colonel Bridge.*) If the tenant is a grocer and has the contract for both dry goods and beer, do not you think he is more likely to push the sale of his own goods than those of the brewer who is only his sub-contractor?—I have not got a case.

554. You were saying that the tenant system was likely to encourage more beer drinking?—Yes.

555. My question suggests that if your tenant is a grocer he would be far more likely to do what he could to push the sale of his own goods than to push the sale of beer?—I do not think so, because you can make a good deal more profit out of drink than you can out of grocery.

556. (*Captain Boehmer.*) I think you can make more profit out of a cup of tea than you can out of a glass of beer, I do not care what price you buy the beer at?—You can make a great profit out of drink. You can make a good deal out of tea if you sell it at a high-class shop price.

557. No, if you sell it at the rate of 1d. a cup?—A penny! We only charge a halfpenny; sometimes a farthing. You will not sell much in our canteens at 1d. a cup. I often go in the morning when coming back from town, and have a halfpenny cup of coffee at Liverpool Street, and most excellent stuff it is; and that fellow makes a farthing out of it.

558. I say there is 100 per cent. on it if you sell it at a halfpenny?—Yes, but this coffee fellow must make a farthing out of it or he would not sell it; he has to find stall, cups, saucers, sugar, milk and all the rest of it.

The witness withdrew.

Colonel MORGAN CROFTON, A.A.G., called in and examined.

559. (*President.*) By the orders of which General Officer Commanding have you come here?—The General Commanding the Eastern District.

560. You have been requested to come here to give us a little information about the working of your canteens?—The garrison canteen is under me, as chief staff officer of the Eastern District; I am the nominal head of it.

561. Will you kindly give the Committee your views as to the management of the canteen, and any remarks that you wish to make upon it?—Generally; as it acts for the benefit of the soldier do you mean?

562. Exactly?—The garrison canteen was put on a splendid footing by, I understand, General Burnett, when he commanded there, he took great interest in the canteens, and the system has been kept up ever since. In my 34 years in the Service I have had a good deal to say to canteen management from the time I was an adjutant, and when I became canteen president; and afterwards having been for five years at the Cape as chief staff officer out there, I had more or less the supervision of the garrison canteen, and I have never seen a canteen run on such a thoroughly satisfactory footing as the canteen at the headquarters of the Eastern District at Colchester.

563. Will you kindly tell us what the character of that is?—We publish the accounts every month in the District Orders, so that every soldier in his barrack room can see exactly to a farthing how it stands; how much has been spent on the entertainments, how much has been handed over to the regiments, and exactly what the working expenses are.

564. You throw all your cards on the table?—The whole of the cards are thrown on the table, and, I think, from what I gather from non-commissioned officers, and from what one's orderly tells one, and all that sort of thing, the feeling of the soldiers is that they are thoroughly contented, that they have full value of any profits that are made out of everything that they drink, and that they get the best of stuff.

565. They do not believe that any of it goes into the officers' pockets?—They know it cannot; they see it cannot. And the risk to an officer who is president of a garrison canteen is nil, if the duty is done every day. That, of course, has always been one point that has

been pressed: that it takes an officer to look after the working of the garrison canteen, because we have to tell off a captain always for the work. But as to any risk I say if it is done properly every day, and there is a safe in the guard-room which should always be provided, he is not expected of course to bank the money every day, but if the safe is there to put the money into it every day there is absolutely no risk.

566. Risk of what?—Risk of loss. That is always the argument against it.

567. There is another argument: that it takes too much of the time of your officers. What do you say on that?—I always say it is a very good experience for the officers, and it does them no harm whatever.

568. How much time does it take?—Counting the money should not take them half an hour, and banking the money depends entirely upon the station where he is, and whether it is worth banking every day. But the risk is often made a good deal of, and I say the risk, if the duty is done properly every day, is reduced to a minimum. We employ no soldiers, all pensioners, so that no man is taken away for it.

569. Do you object to the soldier being employed?—I think it is a pity to take the soldier to work the canteen when there are plenty of pensioners always to be got.

570. We have just had evidence from one of our witnesses that it is very desirable, from a military point of view, that you should teach your rank and file how to serve tea?—I know it is so held by many. That is not my idea.

571. What do you pay your pensioners?—I think it is 3s.

572. Then this is a permanent organisation?—Yes.

573. So you have absolute continuity of administration?—Absolute continuity of administration. We have been rather abused by some commanding officers for spending so much on entertainments, but in a garrison like Colchester I consider that the entertainments have been the great good that has been got out of the canteens, inasmuch as it has kept men in barracks, because there are very low music halls and places there, and we have had very high class entertainments, and the men simply crowd there every night.

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And whenever a draft has been going—and we have sent out, since I have been there, to South Africa, 60 or 70 drafts, some small ones and some strong ones—we always give them an entertainment out of the canteen, a pipe and some tobacco, and a supper, and that keeps them in barracks, and they are ready to fall in; they nearly always go early in the morning. And I put down the regularity of the departures of our drafts to South Africa greatly to the entertainments we provide the night before out of the canteen, and so keep the men in barracks.

574. How many entertainments a week do you give?—Every night; we have artistes from London and a fresh lot down every week.

575. Have you a theatre?—We have a stage; we have a fresh variety company every week.

576. And do the men pay?—No, it is free.

577. And you pay for that of the canteen profits?—Entirely out of the canteen profits.

578. And what profits do you make out of your canteens?—Some months we have made as much as 200*l.* without working expenses; the working expenses, of course, are exactly what you choose to make them, but the profit runs to 170*l.* or 180*l.*; we have had 200*l.*

579. What proportion does your beer profit make?—That is all beer profits.

580. You are not touching the dry goods?—No, because there is nothing to be made out of the dry goods. If the best is provided at the lowest possible cost the dry goods should only just pay working expenses.

581. What is the ratio between beer profit and dry goods profit, do you suppose?—There is no dry goods profit—not if you give the men the best of stuff; the whole profit is the drink.

582. I understand what you mean. Your turnover on the dry goods may be considerable, but you sell at such a price that you have no profit—Yes. If we made soda water as they do in India, then that alone is a profit.

583. Have you figures that can show us what the ratio is between the dry goods turnover and the alcohol turnover?—Yes, I prepared, in case it would be of any use to you, a statement. That is for 1901. (*Handing in the same.*)

584. Will you just give us the results roughly?—Taking the month of January our cash turnover (this is for malt liquors only) was 285*l.*, and the profit was 98*l.* The unascertained profit—that is what was remaining, was 24*l.*, the discount 16*l.*, and the total profit on the month 139*l.*; and that was taken by the number of men upon rations divided up by the days of the month, which gives you the profit almost exactly, if you take the number of men that are drawing rations. In another month, say August, our cash turnover was 421*l.*; our profit was 142*l.*; our unascertained profit was 40*l.*; the discount was 26*l.*, and our total profit was 219*l.*; but then, of course, there were a good many more troops there. That is taking just two months out of the year for the malt liquors.

585. (*Major-General Eaton.*) What is about the average per man per month?—I have never worked out the average per man; but you can work it out by taking the number of men drawing rations.

586. I did not know whether you had happened to have done so?—No, I have not worked out the average.

587. (*President.*) Then I understand that the garrison system which you prize is the regimental system only idealised?—It is under the control of the General Officer Commanding; he says what is to be spent on entertainments, what the shows are to be, and everybody is served exactly alike in the garrison.

588. Do you think it would be better in the interests of the soldier that the canteen should be as conducted at present, or in the hands of a contractor?—I think as long as you have a garrison canteen where you can have it, the sale of drink should never be taken out of the hands of the military, because the soldier knows the drink is good and nobody else gets the profits out of what he spends.

589. That is he is not tied to any particular house?—Yes.

590. Who buys the beer in Colchester; who makes the contract?—The contract is made by the General.

I only speak for garrison canteens; I am not at all certain that many hole and corner canteens might not be run very much better by not getting into the hands of old soldiers, but so long as the canteen is big enough to be run under the supervision of the General Officer Commanding I am sure it could not be improved as a garrison canteen. I would not offer any opinion about regimental canteens, because I have seen great abuses in regimental canteens.

591. What sort of abuses?—One canteen is run, and the men get a tremendous lot out of it, and another regimental canteen is run, and you see the soldiers get nothing out of it; so there must be some leakage somewhere.

592. (*Major-General Eaton.*) It depends upon the supervision?—Yes.

593. (*President.*) There is some corruption somewhere?—Yes; but I say there cannot be corruption when the whole accounts are published in the District Orders, and audited and signed by the chief of the staff, after the committee have sat on the accounts, worked out to a farthing, and everything is published, so that every soldier as he sits drinking his beer can see for himself. A soldier is a bit of a lawyer now-a-days, and they go into the whole thing, and as long as they are content I think it is a great criterion. I do not think regimental canteens always give satisfaction to the soldiers.

594. You take the rank and file into your confidence, and tell them everything?—Yes.

595. Do you give them opportunities for making suggestions?—Always.

596. Do they ever make suggestions?—Hardly ever.

597. What opportunities of recreation do you give your men besides theatrical performances?—We have a gramophone for them, and on a wet afternoon we have a man that we give a little to; and if the canteen is full we raise the curtain on the stage and turn the gramophone on, and instead of the men going out and getting wet they sit there.

598. And you have a recreation room where they can read and play games?—Yes; but of course the large expenditure from the canteen profits is on our variety show.

599. And that keeps the men from going into the town?—That keeps the men from going into the town; and, of course, one had to be very firm about that, because commanding officers have come in and said: "We have not had enough to divide." But I have said, "Yes, but the difference is you have not the same number of prisoners to tell off in the morning, and you see exactly what we have spent on our artistes, and what our entertainments have cost." Cantankerous commanding officers have come and said, "I do not think so much of the entertainments; I think more money ought to be given to the men." I say the General Officer is the best judge of that. He thinks the best thing is to keep the men in barracks: it prevents crime and makes all the difference in sending men out with good constitutions. It has made the greatest possible difference during this war in sending men out to South Africa. The town of Colchester is a place that has very low public houses, the police cannot cope with it in any kind of way; and these entertainments have kept lots of men out of trouble that would have been left behind in hospital if they had not had these entertainments in barracks to attract them.

600. (*Major-General Eaton.*) Is there only one canteen for the whole of Colchester?—There is the garrison canteen, but there is a branch over in the opposite barracks.

601. (*Mr. Harwood.*) How is the buying done for your canteen?—It is all done by the Committee.

602. From tenders?—Yes, from tenders.

603. And who sees that you get the quality?—That is what the committee are for; that is what the president and the officers of the committee are for; and besides, it is constantly inspected.

604. By whom?—I as Chief Staff Officer, and the General takes a great interest in it; he often goes in; we go in and taste everything constantly. I often taste the butter and cheese. Then he is always arranging for the men to get supper at night.

605. (*President.*) Has a case ever come before your knowledge of a canteen buying any of its supplies, grocery, and so forth, from a wholesale co-operative

institution?—No. I have only heard of it; it has never come under my notice.

606. (*Colonel Lambert.*) The whole of the superintendence of this falls upon the garrison committee?—Yes.

607. Analogous to the regimental one?—Yes.

608. Then the stocktaking and purchasing and all the usual duties which are laid down are done by this committee?—Yes.

609. Within your experience do you find that it takes them away from their duty?—I do not think so, I think officers have lots of time on their hands myself. If some officers are not free to go out directly after luncheon they think they are very hard worked. I have often work to do which keeps me busy till about six o'clock myself. I do not think officers are hard enough worked; I would give them some more jobs.

610. (*Captain Boehmer.*) Colchester is rather an exceptional place, is it not? There has been a chief clerk in that office, has there not, for years and years?—Yes, a splendid man.

611. Does not the chief clerk in that office have a good deal to do with making arrangements with the tradesmen?—No, and he has absolutely nothing to do with the cash, and, in point of fact, there are the same two tradesmen, Nicholl & Co. (brewers), and Phillip (tobacconist), now supplying the garrison canteen that were the tradesmen in July 1893, date of arrival of this clerk at Colchester, and who were put in by Sir Evelyn Wood. The mineral waters are made by garrison canteen staff, and coal supplied by Government contractor at contract price.

612. How many years has he been there managing that canteen?—Five years, but he has absolutely nothing to do with the cash.

613. (*Mr. Harwood.*) Has he anything to do with the contracts?—The contracts are all laid on the table.

614. What is to prevent the man getting what we call palm oil for recommending certain people?—He

only arranges for variety shows; he has nothing to do with the rest of it.

615. (*Captain Boehmer.*) But he keeps the accounts?—He prepares the accounts, but he produces them to me.

616. He is the canteen accountant?—He puts them up to me.

617. (*President.*) I understand that they are audited every month?—Yes.

618. By an outside auditor?—Regularly audited by canteen committee.

619. (*Mr. Harwood.*) It is not so much accounts but the palm oil?—I have never had any suspicions myself; I have watched it very carefully. I was told to watch it when I first went down there by Colonel Raper, then in the Quartermaster-General's Department.

620. Why did he tell you that?—Because of the natural suspicion of any clerk who has been for some time running a show.

(*Colonel Bridge.*) I think that chief clerk has been more than five years there?—He was there before I went there.

621. (*Captain Boehmer.*) There is one more question: the question of getting value for money. Whoever manages the canteen, whoever makes these purchases, how do you know that you get your full value for money in the case of tea, sugar, or anything. Who is your expert to pass it?—I think the soldier; he knows whether he gets value for his money.

622. He does not know the price paid for it; he knows whether he gets a cup of tea he likes?—He knows whether he gets value for his money. He is the best judge I know. I ask for no better judge than the soldier.

623. (*President.*) He would soon complain?—Rather. He knows whether he gets value for his money, whether in what he drinks, or eats, or anything else.

The witness withdrew.

Lieut.-Colonel H. WILSON, Rifle Brigade, called in and examined.

624. (*President.*) Will you tell the Committee anything that you may think will interest us on the subject of canteens, as to how they could be improved with a view of benefiting the soldier?—Do you mean the buildings?

625. No, the management, and that includes the buildings?—It is very difficult to get one away from the other; I mean as regards the supper bar.

626. Yes, we should like to have your views as to how you could improve the whole canteen management in the interest of the soldiers under your command?—It would be better of course if we could get the men more into the institute part than into the beer part of the canteen. That in a great many places is practically impossible, because of the buildings, and unless the buildings were altered or there were some other way of doing it I do not know that it is much use really talking about it. As regards suppers, and getting the men to go into the place in the evenings where they could have their beer as well as their supper, if there are no buildings (and in most places there are none) it makes it almost impossible. In the place I am in at present, Colchester, there is a building where we could make the attractions of the dry canteen and the institute side of it, greater than the wet, and bring the men across from the beer bar to the food. But in most places I think it is impossible at present.

627. Then I think we must ask you to confine your evidence to telling us how you think the canteens under present conditions should be managed in the interest of the soldier?—From a money point of view I take it that a tenant will give you as much money as you can make in the regimental canteen. From the soldier point of view, personally I think it would be much better to let the soldier do soldiering, and not canteen work, both officers and men. That, of course, puts you rather into the hands of the tenant. The difficulty of that, so far as I can see, is that it is directly in the tenant's interest to sell as much beer as he can; and that is a bother. You see, at the present moment we get, in a place like Aldershot a very large

turnover in the canteens, and all that money goes back again to the soldier. We have no interest, of course, in selling beer, but the money is exceedingly useful. A tenant would give you as much money in some cases he might even give you a little more, I daresay; and that money also is very necessary, because we buy any amount of things with that money which we cannot get by any other means. If you do not sell as much beer you will not make as much money, and if you do not make as much money you will not be able to do as much for the soldier as you do at present.

628. Then do you want to push the sale of liquor?—I do not want to push the sale of liquor, but if you stop the sale of liquor in the canteens and drive the men into public houses you will stop many things that soldiers now get which are, I suppose, called luxuries, but which are really necessities, as they have got so much accustomed to them in the barrack rooms.

629. I do not quite gather what you think is the right system. You say, from the financial point of view, let the tenant have it, put the canteen in the hands of the tenant?—Financially I think it would be about equal.

630. But from the moral point of view?—From the moral point of view I think it ought to remain regimental, because we have no interest in selling beer, which the tenant would have.

631. Then I understand, to combine the advantages of the two systems, you want some system to secure the advantages of the regimental system without bringing your soldiers on to the active pay list into it?—Yes; and the best solution of course is bringing the soldiers into the dry part of the canteen, which, as I said at the beginning, you cannot do because of the buildings. In the very newest barracks you can.

632. We have had a good deal of evidence to-day to the effect that the Canteen and Mess Association is managing several canteens in the interest of the soldier. I understand that after they pay 5 per cent. to the shareholders they give back the whole of their profits to the place they serve. Does that meet with

Col.
M. Crofton,
A.A.G.
2 April 1902.

Lieut.-Col.
H. Wilson,
R.B.

*Lieut. Col.
H. Wilson,
R.B.*

2 April 1902.

your approval?—I do not know who they are. Are they officers?

633. No; it is a separate agency. I believe there are officers connected with it?—I think of course at the present moment that almost every soldier thinks the officers make money out of the canteens.

634. We have just had evidence here from Colonel Crofton that they publish their accounts periodically, and every single private knows exactly where every halfpenny goes?—Yes, and they do not believe a word of it.

635. How are you to convince them that the officers are honest?—You cannot.

636. Could you associate the private with the officer in the management, or would that be regarded as a dangerous innovation?—There again you are doing a thing which is so bad for soldiers, taking the men away from soldiering to do grocery work or beer work. At the present moment, I think most soldiers would say that the men think the canteen president, whether a major or second in command, makes a nice bit out of the canteen; they very much think that as it is, and I do not know what this co-operative society is, but if there are a lot of officers in it I think they perhaps would think thus a little bit more—

637. (*Major-General Eaton.*) They are all officers?—I do not know who does it.

638. (*Captain Boehmer.*) You served out in India, did you not?—Yes.

639. With the Rifle Brigade?—Yes.

640. And you have had experience of the system of canteens and institutes but in India?—Well, I have forgotten it.

641. As a matter of fact, out in India there is beer kept; it is not carried from the wet canteen, it is kept in the coffee shop where they can have beer with their supper?—Yes.

642. Is that the case where you are quartered now?—No.

643. Do not you think from your experience that a man ought to be able to get a glass or pint of beer with his supper?—Yes, certainly.

644. That is not the case in England?—No, only in exceptional cases.

645. (*Mr. Harwood.*) What do they get for supper?—What they like. I think sausages and mashed potatoes for 2d., fried fish, cold, 1½d.; but then they get nothing to drink.

646. You seemed to take it for granted that the regimental system involved the employment of soldiers who were on pay, whereas the other system did not?—The tenant system.

647. But why is that inevitable; why can you not have the regimental system and yet pay your men the same as on the tenant system. I do not see why the two things go together necessarily?—We can get soldiers very much cheaper than we can civilians.

648. But if it is decided not to have soldiers, is there any reason why the regimental system cannot do it just as well as the tenant system, by the employment of pensioners say. Why is an essential element of the regimental system the employment of soldiers who are on pay?—I daresay it is not a necessity so far as the soldiers go. You would of course reduce the profits to a certain extent—to a considerable extent it would come to, but you would still have to employ your officers, which are the most important perhaps of the two; it takes about two officers to work one good canteen.

649. How much of their time does it take?—A very considerable portion of the time of the second in command; it depends again on the station and the turnover; but in a busy canteen the second in command spends a considerable amount of time in his canteen.

650. (*Colonel Lambert.*) With your experience as Brigade-Major at Aldershot, if you take canteens run by any mounted branch such as the artillery or cavalry, when you think of the duties of a canteen president, the second in command, how can he do it together with his other work, that is, if he does it in its entirety, the periodical stock-takings, the necessary checks that there are on the sales of beer; do you think he can do it satisfactorily together with his other duties?—I think, from a soldier's point of view, that it is a great

pity to take a man away from soldiering to do a work that is not soldiering.

651. It diverts his energies?—Yes; it takes him a certain amount of time, and the better he does it the more time it takes him. He can, of course, scamp it.

652. (*President.*) You are in favour of contract management and the regimental principle, if we can combine the two?—Yes; and, of course, I am in favour of getting the men from the wet to the dry, but then we have the practical difficulty of the buildings.

653. That is outside the scope of our inquiry?—Yes. From my experience of buildings here at home, that will be the great difficulty. In India you get beautiful nights, and they can sit out; here they cannot; you have to have a proper room, and they have not got that in the barracks.

654. It would mean a very large expenditure if we were to equip our barrack system up to your standard?—I believe it would. I fancy it is being done by degrees in new barracks. At Colchester where I am now quartered, there is a fairly good supper room. But until you can provide suitable and attractive buildings it will be a difficult thing to get the men across from the wet to the dry.

655. You never had the dry and the wet under the same roof?—No, not with access from one to the other.

656. (*Mr. Harwood.*) Are they divided into dry bobs and wet bobs then?—They are mostly wet bobs then. But these boys that we enlist at present drink very little beer, and the result of that is, we make very little profit; we make very little money and the soldiers feel it, because they do not get many things that are given them get if the canteen gives us large grants. Everything in the barrack room, except the beds and bedding, are practically given out of canteen profits.

657. (*Captain Boehmer.*) Do not you think if there were an expert buyer for your district, you might buy better and make more profit?—That depends upon what you mean by an expert buyer.

658. A man who has a knowledge of buying?—Would he be honest?

659. Yes, I am taking the standard that it is an honest man; do not you think you would buy better for the soldier if you had an expert buyer?—I think if he were honest; but in my experience I must say—

660. We assume the man is honest?—If he is honest.

661. There is no question of "if" about it. With the assumption of an honest man, do not you think with an expert in the business of grocery, you would make more for the soldier than ordinary amateurs buying?—It hardly points that way, because the tenant, we may take it, is an expert.

662. But you only get a fixed profit there?—He could not give you more.

663. No?—But he would if it paid him.

664. (*President.*) Supposing we had a central organisation which could afford to pay sufficiently large salaries to secure the best expert brains, then we should probably be able to buy the articles you required for your canteens in wholesale quantities at lower rates than it is possible for a small canteen to buy them at, and in that way it would be possible to make more profits out of your goods?—Yes; you mean an outside central organisation.

665. Some central organisation, it does not matter whether under the War Office or outside it. But supposing you had some central organisation like the Co-operative Wholesale at Manchester, which buys for stores all over England, then they would be able to buy for the whole Army at very much reduced rates?—Yes, and send them down to the canteens?

666. Yes?—That is assuming that the canteens are regimental canteens.

667. Yes, the canteens would be affiliated to that central organisation?—Yes.

668. Then you would divide your profits over your affiliated canteens in proportion to their purchases?—Yes.

669. You have not considered that plan?—No. Of course, that would keep them regimental; you would have to do it through officers, and no tenant would come in under that system.

670. No. It might be the Canteen and Mess Association?—Yes.

671. (*Colonel Bridge.*) You said just now that you thought that if you had a tenant, he would be interested in pushing the sale of beer. That is rather presuming that the tenant was the brewer. Supposing the tenant was a man like Lipton, whose own business is that of supplying dry goods, would he not be more interested in supplying dry goods?—Yes.

672. Then do not you think that would do away with that objection on moral grounds?—Yes, I was only referring to the brewer, or beer contractor.

673. So that the beer contractor would become a sub-contractor?—Yes; and many of these men like Lipton or Dickeson, I should think, would be glad to push the sale of dry goods.

674. (*Mr. Harwood.*) Do you think it is a good thing that these different expenses for the regiment should depend upon profit from the canteen; because, if people grow more temperate, you will have to face the fact of these profits diminishing?—Certainly.

The witness withdrew.

675. And the moral effect of that is that, however you do you then rather have a tendency to favour the sale of drink because you get such a large profit on it?—Yes, quite so.

676. Do you think that is a good plan?—No, I do not think it is a good plan; but looking at it from the soldier's point, it is the only way you can get these things, because the Government will not give them to you.

677. Then they must be made to give them?—Certainly, I quite agree.

(*President.*) That depends upon Mr. Harwood in the House of Commons.

(*Mr. Harwood.*) I mean that you do not like it depending upon any encouragement of the sale of drink?—No, we do not like it, but have to accept it *faut de mieux*.

Lieut.-Col.
H. Wilson,
R B.

2 April 1902.

Sergeant GEORGE MILLS, R.A., called in and examined.

678. (*President.*) Where are you quartered?—At Colchester.

679. Are you acquainted with the working of the canteen at Colchester?—Yes.

680. Is that the garrison canteen?—No, the Royal Artillery canteen.

681. How is that managed?—On the regimental system.

682. Does that work well?—Yes, very well.

683. Are the men who are employed to work it, men on the active pay list?—No, they are old soldiers who are employed there.

684. Are they pensioners?—They are not pensioners; they are men with 12 years' service, discharged. One is a pensioner, the steward, but he is leaving.

685. (*Colonel Lambert.*) You say it is the Royal Artillery canteen at Colchester?—Yes.

686. And it is managed entirely on the regimental system?—Yes.

687. And there is a steward to it?—Yes.

688. He is a pensioner too?—He is a pensioner.

689. And all the assistants are pensioners?—No, they are ex-soldiers, they have served 12 years.

690. Does the name of anybody who is employed in that canteen appear on the pay list of any unit in Colchester?—No.

691. So far as the men are concerned does it seem quite satisfactory to them—do you ever hear any complaints?—No.

692. They are all perfectly satisfied?—Yes.

693. What is the system? Is there the locked-till system there?—Yes.

694. And an officers' committee?—Yes.

695. And one of them takes the takings every day?—Yes.

696. (*Major-General Eaton.*) Have you any suggestion to make as to improvement of the canteen? Would you suggest any other system, or any improvement in the working, if you had the management of the canteen?—No, I think not. I think everything seems to be satisfactory as regards the working of it. The only question is, of course, that the wet canteen, the dry canteen, and the sergeants' mess are all under one roof; they are not separate.

697. They are now?—Yes, and the library and recreation room.

698. Is that the new barracks?—No.

699. That is the system that so many have advocated, of having them all under one roof. Do you find in consequence of their being all under one roof that the men use the recreation room, the coffee bar, and library more than they do in other quarters?—They do not use the coffee bar very much, because it is really only a temporary one, and they go upstairs for it; they would prefer one on the ground floor.

700. Are they allowed there to have a pint of beer if they get any supper?—Yes.

701. How do they get it—do they send for it to the canteen?—They take it up themselves.

702. (*Colonel Lambert.*) You and the other men understand that there is a considerable profit made in the canteen?—Yes, it is published in the District Orders every month—an abstract of the canteen account.

703. Did you ever hear any remarks made about it, or are the men quite satisfied with it; do they think they get every advantage out of the canteen that is practicable?—I think so.

704. (*Major-General Eaton.*) Is there any idea amongst the men that the profits made out of the canteen go in any way to the officers?—No.

705. You have never heard that expressed?—No.

706. (*Mr. Harwood.*) Does throwing the wet canteen and the dry canteen together, in your opinion, tend to drive men away from the wet canteen, or to the wet canteen? When you have the two canteens under one roof do you think it is good or it is not good from the point of view of temperance—I do not mean testotalism?—A good many of course like it, because they are all close together.

707. Do you think that it increases or diminishes drinking? It has been stated to the Committee that where they are separate there is a difficulty in getting men to go from the wet canteen to the entertainment in the dry canteen. If they are together under one roof, do you think it tends to make them pass more easily to the dry canteen, or does it tend to make them go more to the wet canteen?—I do not think so. There is a certain class of men, of course, that will go to the wet canteen, and others will go to the dry, who would not go into the wet, and you have to come out of one door, although they are under the same roof, to go to the other.

708. (*President.*) Are the men satisfied with the quality of the liquor supplied?—Yes.

709. And of the dry goods too?—Yes.

710. Do they ever make complaints—they must be dissatisfied sometimes?—I do not know; they may do, sometimes, when they cannot get the supply that they requisitioned for.

711. What action do they take if they dislike the beer?—The beer they never complain of.

712. What beer is it?—From Nicholls and Company, a Colchester brewer.

713. (*Major-General Eaton.*) Are they satisfied with the prices of the beer?—Yes, it is the ordinary canteen price: bitter, 5d. a quart; mild beer, 3d., and stout, 4d.

714. (*Captain Boehmer.*) How do you know so much about the canteen; do you keep the accounts?—Yes.

715. You keeping the accounts, I suppose you have travellers come and see you?—No.

716. They never come to see you?—No.

717. How do you know what goods they have for disposal?—The working committee do that—the president and committee.

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718. Is that a committee of officers?—Yes.
719. Or is there a committee of non-commissioned officers?—There is a sub-committee of non-commissioned officers, and a committee of officers.
720. Is it customary in a brigade division to have a sub-committee of non-commissioned officers?—Yes.

The witness withdrew.

Q.M.-Sergt.
J. Calver.

Quartermaster-Sergeant J. CALVER called in and examined.

724. (President.) What is your regiment?—The Second Highland Light Infantry.
725. And where are you quartered?—At Aldershot.
726. Will you tell us something about the canteens at Aldershot? We want to know all the faults that there are in them, and all the objections you have to make to them?—I have had a lot of experience of canteens in the last 16 or 17 years, and so far as I know I find the system that is going on now at Aldershot is much better than the regimental system.
727. What is the system now?—The tenant system.
728. Who is the tenant?—Dickeson and Company.
729. What is the advantage of the present system over the past system?—In the first place, it saves the officer, second in command of the battalion, devoting a lot of time looking after the canteen.
730. It leaves the officers free to do their duty?—Yes, it leaves the officers free to do their legitimate duty—regimental duty.
731. What are the other advantages?—The other advantage is that you have no responsibility on the Commanding Officer, so to speak, in requiring a president and committee. They get a certain amount of money paid to them in the shape of rebate.
732. Under the regimental system the canteens are run wholly and entirely in the interests of the soldier, I understand; all the profits that are made go to the soldier?—Yes.
733. Under the tenancy system do all the profits come to the soldier now?—I think they are better off now.
734. How?—They get more of them than they would under the regimental system.
735. How long has the tenant system been in operation with you?—Since we arrived at Aldershot.
736. How long is that?—Two years.
737. You have had two years' experience?—Yes.
738. And during those two years you have found that a larger sum of money comes to the soldier than used to come to him under the regimental system?—A lot more; from the time we arrived in Aldershot up to the 15th January last we got 15 per cent.
739. What canteen are you speaking of? Can we get the figures on this point, because it is very important?—We have got 8 per cent. on the beer—on the liquor bar.
740. When?—From March 1900, the time we arrived in Aldershot, up to the 14th January this year.
741. You say you got 8 per cent. I do not know quite what you mean by that?—A rebate of 8 per cent. on the number of men that were in the mess. For the liquor bar we got 8 per cent., and 7 per cent. for the grocery bar.
742. (Colonel Bridge.) Do you mean 8l. per 100l.?—8l. per 100 men in the mess.

The witness withdrew.

721. Do you choose the goods, or the officers?—The officers—the president and committee.

722. And you, keeping the accounts, do you prepare the cheques ready for the officers' signatures?—No.
723. They draw the cheques themselves?—Yes, the president makes them out himself.

743. In how long?—In a month. We got 8l. per 100 men from the liquor bar, and 7l. from the grocery bar. That was 15l. per 100 men per month.

744. (Major-General Eaton.) Does not Dickeson pay you so much per head for every man?—Yes.

745. What is his arrangement now?—20l. per 100 men.

746. (Colonel Bridge.) That is 4s. per man per month?—Yes; but then Lipton had the liquor bar at the time I am speaking of, and Dickeson had the grocery bar.

747. (Major-General Eaton.) And now Dickeson has both?—Yes.

748. Does Dickeson make the arrangements about the beer himself?—Yes.

749. He does the whole of your canteen?—Yes.

750. Has the General Officer Commanding no voice in the matter of choosing the brewer?—So far as I know we select our own beer—the regiment select their own beer.

- 751.—And Dickeson supplies it?—And Dickeson supplies it.

752. And he gives you 4s. per man on rations per month?—Yes, and 5 per cent. for married families who deal with him. If the married families deal with him they keep a book there.

753. And they have 5 per cent. off the list price?—Yes.

754. In other words, he sells to married families at 5 per cent. less than to people in the town?—Yes, and the same with the sergeants' mess.

755. (Colonel Lambert.) What is the strength of the sergeants' mess of your corps?—Taking it all through it is about an average of 55.

756. The strength of the sergeants' mess of the Highland Light Infantry is 55?—On the average.

757. And what is about the number of dining members, roughly?—Say 25.

758. It is managed according to regulations?—Yes.

759. What is your rank?—Quartermaster Sergeant.

760. You are the Regimental Quartermaster Sergeant?—Yes.

761. Then probably you have been treasurer of the sergeants' mess?—I have been president and treasurer.

762. Recently?—No, not for three years; but I am ordered by my Commanding Officer to be present when the accounts are audited—I must be there.

763. Have you the locked-till system in your mess?—No, we never have had.

764. Could you say from memory at all what the unascertained profits per month are at the present time?—About 10 per cent., I think.

765. The unascertained profits are about 10 per cent.?—I am speaking of the gross profits.

766. I do not want the gross profits?—I do not know the unascertained profits.

The witness withdrew.

Private
J. Verity.

Private JOSEPH VERITY called in and examined.

767. (President.) What is your regiment?—The third battalion of the Manchester Regiment.

768. And where are you quartered?—At Aldershot.

769. We want to hear what the views of your comrades are about the canteens which are provided for them, and we should be very much obliged if you would tell us fully and freely now all the defects you can think of, and in what way you think they could be improved?—I have asked the majority of the men in the regiment about the grocery bars, and also the wet canteens, and they all seem to have complaints to make

against them. So far as the dry goods part they do not care for this contract system. The biggest part of them have had the regimental system in their soldiering, and they all think it far better than the contract system; that they get the food far cheaper and better cooked.

770. That is under the regimental system?—Yes.

771. Is that the common experience of the men in your regiment?—Yes.

772. They like the regimental system better than the contract system?—Yes.

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773. How is the canteen that you use managed?—There is only one canteen to go to there.

774. How is that managed?—It is managed by Lipton.

775. And you would prefer it to be managed under the regimental system?—Yes.

776. How long has it been managed by Messrs. Lipton?—I think it has been going on about six months, so far as I remember.

777. Before then was it managed under the regimental system?—I think it was Dickeson then.

778. How long have you been in the army?—Going on for nine years.

779. We want you to go on and tell us why you prefer the regimental system canteen to the contract system canteen. You get your food cheaper, and better food for your money?—Yes, and more civility, too. If you go into the canteen for anything they try to snarl at you in the way they speak to you, and they are not particular as to the way they serve you. In the non-commissioned officers' wet canteen you had games and papers; when I was a non-commissioned officer we used to get them. I was a non-commissioned officer in the canteen then. You get nothing of that, not even the daily papers.

780. You do not get these advantages now?—No.

781. You had more games and more recreation under the regimental system?—Yes.

782. And that you say is the universal feeling of the men in your regiment?—Yes.

783. They want to go back to the old plan?—Yes.

784. What do you say about the liquor?—It varies from pay day to pay day.

785. Does it?—Yes.

786. How?—It is very good about three days after pay day, and when it comes to pay day again I think they change another barrel with a different beer in.

787. You get the worst liquor after pay day when you are full of money?—Yes.

788. And when you have little money you have better liquor?—Yes, and at the time when Earl Roberts came to Aldershot and inspected the canteen we had a lot of clean pots and things ready, and 10 minutes after he had gone they did not give us different pots, but it was different beer; and the steward and myself went to the manager and complained about it.

789. You think Lord Roberts was imposed on then?—Yes; and the same in the dry goods canteen; there was a place laid out there with cups and saucers and tablecloths, and all such things as those, and knives and forks. There are no such things now; you get cups without handles on them and all such things; and if you go in with only threepence in your pocket, a penny for mashed potatoes and twopence for liver and bacon—the last threepence you have—you have nothing to eat it with; if you ask for a knife and fork they will not give it you, you must leave a penny on them. Even a sergeant went down the other night with a football team of the Lancashire Fusiliers and asked them to cook eight pounds of steak for breakfast, and they said they would not cook it. So he asked them if they would do it if they were paid for it, and they said, yes, they would do it then.

790. You do not expect to get your meat cooked for nothing; do you?—We did under the regimental system, the wages were paid and they cooked it all for the same pay. There was one man told off for cooking and another for waiting.

791. Are your dry and wet canteens under one roof?—No, they are separate. That is what we used to get.

792. Supposing you were the Commander-in-Chief, and wanted to make the life of the Tommies as attractive as possible, what would you do in regard to the canteens?—I should have the regimental arrangement to start with. I would ask the troops what they would like and get them whatever they thought they would like best to eat.

793. (Mr. Harwood.) Would you have beer and food together in the same place?—You could have a place

similar to it where you could sell them provisions as well as beer in the wet canteen, the same as the cavalry canteen is carried on at the South Bank, Aldershot.

794. (President.) Can you have a glass of beer with your supper in the canteen?—Yes, that has only just come out.

795. (Captain Boehmer.) Are you employed in the canteen as a waiter?—Not at all.

796. You do not know anything about that?—No.

797. You made a statement that ten minutes after Lord Roberts had gone the beer was quite different beer; do you know that for a fact, or is it imagination?—It is not imagination at all. I could find many men to prove it.

798. It is very funny that they should put on a new tap?—The man behind the bar went to the manager and asked if there had been any change. It showed a difference in the glasses.

799. (Colonel Lambert.) These complaints, you say, have been going on for some time?—Yes.

800. Did you or any of your comrades ever go and make these complaints to anybody who could remedy them for you?—We made them to the manager behind the bar.

801. And to anybody else?—No, not anyone in particular, not the orderly officer or anybody like that.

802. (President.) Why should you not have done so?—I have never had occasion to make them myself; I was not a regular goer in that canteen; I just go in and have a pint at dinner time and a pint at night.

803. Is it not the practice of your comrades, when there is something to complain about, to make complaints to the proper authority?—There is somebody generally makes it to the officers or the orderly officer, as he goes round. There may have been complaints made so far as I am aware.

804. You have not made any yourself?—No.

805. And you are not aware of any having been made?—No.

806. (Major-General Eaton.) Have they a canteen committee of officers in your town?—I do not think we have. There is a canteen president.

807. Who is he?—I could not say at the present time; he is just changed.

808. But it comes out in your orders, does it not, if the officer's name is changed?—Yes, monthly. I do not know who it is this month.

809. (Mr. Harwood.) Is there an account put up by which you can see what profits are made and how they are spent?—I have never seen it.

810. You never know what is done with the profits?—No.

811. What is the general idea?—I think the married people get something, about 2s. 6d. a month, out of the profits.

812. What do the men generally think is done with the profits?—I do not know—I never heard anyone speak on that subject.

813. (Major-General Eaton.) Are you paying higher prices now for your beer than you were under the regimental system?—No, the same price.

814. Are the prices generally of dry goods about the same?—We have had them cheaper than that.

815. You think they run higher now under Lipton's than they did under your regimental system?—Yes; we have got butter, or what is supposed to be butter, at 1s. 1d. and 1s. 3d. a pound, when you could get the same, I think, for about ninepence or tenpence in the town. It is very bad butter.

816. Does Lipton supply the beer?—I could not say; I have heard it is under his contract, but it is Simmonds' beer.

817. Do you know how much rebate Lipton gives for each man?—I could not say.

818. You know nothing generally in fact of the contract made with Lipton?—No.

The witness withdrew.

Adjourned to to-morrow at 11 o'clock.

SECOND DAY.

At the War Office, Pall Mall.

Thursday, 3rd April 1902.

PRESENT:

THE EARL GREY, *President*.

GEORGE HARWOOD, Esq., M.P.
Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE, A.S.C.

Colonel J. A. LAMBERT.
Major L. A. M. STOPFORD, D.A.A.G.
Captain F. O. BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary*.

Colonel CHARLES ARTHUR HADFIELD, Army Service Corps, called in and examined.

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819. (*President*.) By whose instructions have you come here?—I was ordered from Ireland.

820. Where are you quartered?—I am quartered in Dublin.

821. Will you tell us something about the management of the canteens in Ireland which are provided for the troops?—Up to the present there have been two systems: the district system that is worked by the General, and the contracts made by the General; and in certain instances, a very few instances, the regimental system with the contracts made by the Commanding Officers. But the district system has not been found to work very satisfactorily, and it is reverting now to the Commanding Officers again—that is in Dublin district—from the first of this month; and in Cork I think they have reverted to it. And in Belfast it is what you call a partial system, it is partly worked by the district and partly worked by the Commanding Officers.

822. Will you kindly explain what the difference is between the district system and the regimental system?—The district system is worked under the management of the General or one of his staff. He makes all the contracts, and the Commanding Officers must abide by them. The regimental system would be worked by the Commanding Officer himself.

823. And the centralised system you have found in Ireland does not answer so well as the decentralised?—It is not liked at all.

824. Why?—There are several reasons against it.

825. Will you kindly give them?—You make a contract for a year, say, and the prices are fixed say on the 1st of April this year, up to the 31st March next year. The market rates might vary very considerably during that year, say three months hence; therefore for the whole year, the remainder of the nine months, we have to work at the old market rates, and suffer probably a considerable loss in the takings and profits of the canteen.

826. Who is the General Officer Commanding now?—His Royal Highness the Duke of Connaught. But it is not done by him; each district makes their own arrangements; it is left to the discretion of the General Officer Commanding the District.

827. I understood from you that the district system was under the General Officer Commanding?—Not the General Officer Commanding the Forces in Ireland, but it is the General Officer Commanding each District. There are four Districts in Ireland; the Dublin District, the Cork District the Belfast District and the Curragh.

828. Are the practices of these four districts the same, or do they differ?—They differ, because it is left to the discretion of the Generals; and some of them do not agree with the district system.

829. Some of them contract a year ahead, and some of them do not?—Some do not. Now I think throughout Ireland it has ceased; from the 1st of this month we revert, so far, as dry goods are concerned, to the regimental system.

830. Is there not the same variety of management under the regimental system as there would be under

the district system?—No, because you can make your own contracts. You may have contracts with contractors that you like, and you do not bind yourself for certain terms. For instance I, as the Commanding Officer, if I am not tied by the district system, can go into the market myself and buy potatoes or eggs and anything that we sell in large quantities, according to the market price, and put my percentage of profit upon it which makes the return for the canteen the net profit. But if we were running on the district system you could not do that very well.

831. And your opinion is that you can buy better for the soldiers under the regimental system than you can under the present experience of the district system?—Yes, you get better terms and better value for your money.

832. Is that because the staff who have to buy for the district do not give sufficient attention?—No, not at all; but when a contract is made for a year hence, you must work on the nominal price.

833. But that is not the invariable practice; it may be the practice in one district, but not in the other three?—Yes.

834. Is that the practice of the majority of the districts?—Yes.

835. Is the contract for a year ahead?—It is in Ireland. I can only speak for Ireland, of course. But that has ceased now; it has not given satisfaction.

836. And is it the practice in Ireland to manage your canteens on the regimental system, and not on the contract system?—From the 1st of this month, I think the dry goods canteens are to be worked on the regimental system, the wet canteens have a certain period to run, up to the 30th of June; so that no change takes place so far as Dublin is concerned.

837. I am asking the existing practice?—That is it.

838. There is no tenancy at all; it is all done by the regimental system?—Yes, the tenancy or contract ceased from the 31st of March last.

839. The regimental system has been tried before?—Yes.

840. And it was supposed to have failed?—No, I do not think so. The change to a district system was introduced about six or seven years ago.

841. Do you think it does not take too many officers away from their work?—When you come to the regimental system, I am in favour of leaving it in the hands of the Commanding Officer, and letting him make his own contract.

842. Who do you appoint now to look after the affairs of your canteen?—From the 1st of this month, I have given my own canteen to a tenant, and am going to run it on the tenant system, for the very reason that I do think it takes away officers from their legitimate duty too much.

843. Who do you contract with?—Dickeson has got the contract for three months.

844. Your view is that every Commanding Officer ought to have the fullest possible discretion as to what

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arrangements he should make to let it to a tenant, if he thinks that is the best arrangement?—Yes.

845. And that is the practice you are following?—I am myself following that practice.

846. (*Mr. Harwood.*) Does this tenant take it for perishable things as well, potatoes, eggs and butter. You were speaking of buying them in the market, but you did not say anything about groceries, and such things?—With the district system, which has just lapsed, the Commanding Officers have a free hand as regards buying their vegetables and eggs, but not everybody availed themselves of it, it gives a lot of trouble; but if the Commanding Officer cared to undertake the trouble you could make much better terms by doing so.

847. But have you let it for everything now to the tenant?—I have let it, as a tentative measure, for everything, including the supper rooms.

848. Including milk and everything?—Yes, except milk; and by doing that I get a rather better percentage than I could make myself.

849. (*President.*) What arrangements do you make about the beer?—So far as I am concerned, it is a garrison canteen, and it is run under a district contract.

850. Is that different from the dry canteen?—Yes, separate entirely.

851. Dickeson has the dry canteen, but does not have anything to do with the drink?—Yes.

852. What arrangements are made about the drink?—There is a contract made by the General for the whole of the beer in the district, and we have to take whatever contract he makes.

853. Whatever beer he gives you?—Yes. I should like to say a word about the beer. We go outside Ireland, which to my mind is absolutely wrong; because I think with the number of soldiers quartered in the country you ought to try and keep the trade in the country. There are excellent brewers in Ireland, and yet we have to take our beer from outside.

854. What beer do you get in your district?—We get our beer from Burton. It does an infinite amount of harm to the country. It stops the corn growing, and that does away with the population, because the country has been turned into grass land, instead of arable land. Of course it requires very much less labour, to work grass land than arable land, and therefore the population decreases, because there is not work for them; and all that through giving our contracts outside the country.

855. I suppose your first consideration would be the interests of your soldiers; you want to secure the best article that you can?—Certainly.

856. That you would place first, perhaps, rather than the interests of Ireland?—Yes, certainly; but I think we could do both.

857. Then the General Officer Commanding makes the contract?—The General Officer Commanding makes the contract for the whole district. It happens to have fallen for some years past to an English firm, and we must take the beer.

858. Then how is it sold to the soldier?—Then it is worked practically by the regimental system, although the canteen to which I refer is worked on the garrison principle, because there are a certain number of different units occupying the barracks, so that we have a pensioner in charge, with a certain number of soldier waiters.

859. Are they on the pay list?—Yes. By giving it to a tenant we save all those men.

860. Do you favour giving over the wet canteen too to a tenant?—Yes.

861. You do not think it is possible to run it in the interest of the soldier without leasing the canteen to a tenant?—I think the soldier's interest would be quite upheld by the tenant system if the Commanding Officer looked after it.

862. Are you not afraid that it would be the interest of the tenant to push the sale of liquor?—Not at all.

863. With a view of increasing his profit?—No, not at all, any more than it is at present.

864. But it is his interest at present, is it not?—You do not push the sale of liquor. No Commanding Officer

would push the sale of liquor. You do not want to press your men to go in and drink.

865. But I understand that you advocate that the tenant should put his own men in charge?—Yes; that is to save the men for duty.

866. Then is it not his interest to draw as large a profit as he can to get home?—But you have your provost to look after the men getting too much drink; therefore, they are turned out of the canteen if there is any sign of that.

867. Your own men would have nothing to do with the tenant?—Yes, we always have a sergeant or N.C. officer on duty to prevent any men getting drunk.

868. In the canteen?—Yes, to prevent any excess of drinking.

869. Then it is the duty, practically, of the canteen keeper to serve every man with liquor unless he is stopped by one of your own soldiers?—No, not necessarily; if he is found doing that he is liable to dismissal.

870. But if you put a man on duty in the canteen whose duty it is to prevent the men getting too much?—And to keep order generally.

871. Is it not in accordance with your experience of human nature, to suppose that the man behind the bar would serve everybody who asked for liquor, and would say, "I should be stopped serving a man who is not in a condition to receive any more by this man the Colonel has put in charge"?—If I found a man doing that with me he would not stay in the canteen very long.

872. What rules do you enforce as to the serving of liquor in the canteen?—That no man is to be served if he shows signs of being the worse for it.

873. Then the sergeant or whoever you put in charge of the canteen to prevent disorderly conduct, his duties are to support the action of the canteen sellers?—Yes.

874. And not to initiate any action?—Yes, he would initiate action if he saw any disturbance likely to arise from excess of drinking.

875. (*Colonel Lambert.*) You said that the district contracts, as compared with the regimental ones, in Ireland, were not popular, and the reason you gave was, because in a district contract it was made for such a length of time that prices might alter. That was the reason?—Yes.

876. I am speaking from the point of view of the Regimental Commanding Officer, who ensures that the soldier gets the advantage of a falling price, which takes place in the interim in the smaller shorter contract; because the object of the shorter contract was that prices might vary up and down?—What I do with my canteen is, I take the prices every month, and check them, and alter my selling prices according to that.

877. Then your answer is, the Commanding Officer?—Yes.

878. Would you think it satisfactory if some system could be devised that made the alterations of prices in favour of the soldier almost automatic; some system of control?—I do not see how you could make it automatic.

879. You know that under the short tenancy system, if it is a short contract and the tenant can alter his prices, he will do so whenever he finds it necessary?—Yes.

880. He watches his prices very carefully, does he not?—Yes.

881. To get the soldier an equal advantage, the Commanding Officer would want to watch his prices equally carefully too?—I think the Commanding Officer should do it once a month.

882. I think he does so; but if any centralised means could be devised for arranging those prices, would you be in favour of it?—I do not think I should, because the districts vary so.

883. I mean inside the district?—No; I think it should be left to the Commanding Officers, because one Commanding Officer can do very much better than another.

884. (*Major-General Eaton.*) Apparently in Ireland the men have no choice whatever in the selection of the beer?—No.

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885. They have no redress at all if they do not like the beer; they are compelled to drink one particular beer chosen by the General?—Yes.

886. Has he a committee, or does he do it entirely himself?—No; it is entirely by the committee.

887. A committee of officers?—Yes.

888. And the contract is made for a year?—Yes.

889. Do you know at all what the average per centage of profit is on the beer?—In my own canteen it would be about 28 per cent.

890. According to your arrangement at present with Dickeson, he does not touch that profit?—No.

891. Not a farthing of it?—No.

892. And he gives you what rebate?—He is going to give me for the dry goods 10 per cent., which is a little more than I can make. I have been making about 9½ 8s.

893. Not so much per man, but 10 per cent. on the takings?—Yes, I am not favourable to giving a rebate of so much per head or per 100, because the trade of the canteen may vary, and does vary very considerably; therefore, if you take the rate per 100 men, the Commanding Officer loses money.

894. Then you are entirely in favour of the Commanding Officer having his own canteen under his own control?—I think if you do not do that you take all the interest out of his hands.

895. And you do not favour a central army co-operative store worked in London, and supplying all the canteens of the United Kingdom?—I think it would be the very greatest mistake, because it would be a monopoly at once, and you do away with competition. Without competition you will never work canteens on a paying or satisfactory system to my mind.

896. (President.) Are you acquainted with the co-operative movement?—No, I am not.

897. You are not aware that they have a very large number of co-operative stores all over the country buying their goods from a central wholesale institution in Manchester, Newcastle, and London for all these little industrial stores, working men's stores, all up and down the country. You are not aware that these stores are affiliated to some central institution, which buys for them, and they have full freedom of local action; they can buy from any quarter they please?—Yes, but the question I was asked was whether I approved of a central system for the Army. A central system for the army and a central system for civil life are two different things.

898. Would you approve of a central system for purchasing in wholesale quantities on advantageous terms with full freedom to the canteen to buy where it chose; it can go to a central system for its goods or it can go to a local man if it can get its goods more advantageously?—Do I understand by that that it would be an army business.

899. General Eaton's suggestion was that there might be possibly a central army co-operative organisation for buying goods required for canteens; I am asking you whether, in the event of that being established, you would be opposed to the creation of such an organisation if your canteens had full liberty to go into the open market and buy wherever you choose?—No, with full liberty to go into the open market, certainly not.

900. (Major-General Eaton.) The question is, would you approve of it yourself?—My idea with regard to that is that there ought to be a War Office list of competent and qualified contractors, and that list ought to be circulated to Generals and Commanding Officers, and they may take anybody on that list. That is how we do with our contracts for coal. We can only take coal from the pits that are on such a list. I should have a list of qualified firms, and if your War Office central store was on that list, and the prices compared favourably, I should consider them with the others.

901. (President.) Would not that limit your discretion? Supposing you found that by going outside this certificated list you could get your goods sufficiently good at a lower price, would you not have a grievance?—Not unless there was some reason that they should not be on the list.

902. But the War Office could not know everybody?—No, but they would get that list from the General.

903. (Captain Boehmer.) Is it not a fact, and does not your experience of the Army show that it does not require a list, that there are only three firms that have a monopoly of canteens?—There are three large wholesale firms.

904. Would any Commanding Officer think of going to any other firm but those three: Lipton, Cox, and Dickeson. You do not know of anybody else?—There are at present no large wholesale houses, but they would crop up, no doubt.

905. So that so far as the system of canteen management is concerned, and the people you have to deal with, it is in the hands now of a monopoly, that is those three firms?—Yes, but I think if you take an out-station in Ireland, there are lots of local firms that would be competent to run canteens.

906. That would be only for perishable goods. For grocery, tea, and sugar—there are only three army canteen contractors really in the market; is not that, so?—There are for large garrisons, but it would hardly be worth the while of those large wholesale houses to take small garrisons of 100 men; therefore you ought to be at liberty to go to the best local persons.

907. For tea or sugar, since you have had control of the canteen have you dealt with any smaller firm than Lipton, Cox, and Dickeson?—No.

908. (Mr. Harwood.) You said there was a difference between civil and military in the way of keeping a shop; that is what it amounts to?—Yes.

909. A shop and refreshment room. What is the difference?—If it is worked as an army system every Commanding Officer would be by the rules of discipline bound to accept the decision of the rulers of that shop.

910. That is supposing he was compelled to buy at one great store. You base your remark upon that assumption, that there was a central store in London or elsewhere, and that each Commanding Officer would be compelled to go to that store?—Yes.

911. But that is not necessary, is it?—If he is not compelled to go to that store and he would have as free a hand in throwing it up if they did not give satisfactory goods as he would in dealing with a civilian firm, it is placed on the same basis.

912. No doubt you have thought of the fact that when, as has been mentioned, there is only a small number of contractors, we know it is easy for them to negotiate with each other and really control the market. They may each work together—and they do continually and have you in their hands as it were?—I do not think they can if the Commanding Officers look after the things themselves; because you take the market lists every month and you check them through, and if the rates of Dickeson or any other firm are in excess of those you at once tell them, or you go and buy direct in the markets.

913. How have you bought your groceries generally; have you got tenders for them?—Hitherto it has been the district system, and we have taken the contractor entirely.

914. (President.) How many men does your dry canteen serve?—The dry canteen is a very small one.

915. That is the groceries?—Yes; we do not do more than about 230½ or 240½ a month.

916. How many men do you supply?—It is rather difficult to answer that; roughly about 230 or 240.

917. About 1½ a head a month?—Yes.

918. And you have made about 5 per cent. on your turnover?—More than that; about 9½ 8s.

919. Dickeson you hope will give you 10 per cent.?—He has promised me 10 per cent.

920. Under the contract is he to take the married man that goes there for his goods?—I shall get 10 per cent. on his gross takings, and the married people will get 5 per cent. on their dealings with him.

921. That is 1s. in the £?—Yes.

922. (Mr. Harwood.) When you make a contract with a person like that, do you bind him to a list of prices at which he is to sell?—Yes, and I can modify those prices as I like.

923. What do you mean by that?—In comparison with the market rates.

924. But he has calculated upon getting his 10 per cent. bonus on a certain price for tea, sugar, and so

forth, and if he lowered that price he could not get his bonus?—Yes, he can, because he can buy proportionately cheaper.

925. Then are you to be the judge of the market with your contractor. Can you say, "I see tea is down, you will have to charge 1*l.* lb. less"?—It depends upon what term of contract you enter into.

926. Is that usual with a contractor?—I do not suppose he would undertake that.

927. I should think not. Then how do you fasten him in regard to quality?—The condition is that the Commanding Officer may object to any brand in the canteen, and have it replaced.

928. But there are so many qualities of different things, butter, tea, sugar, cocoa?—You have a different price for each article, you see.

929. What, for each maker?—There are certain qualities of butter, say Irish butter, or Danish butter, or salt butter, or fresh butter; it has each got its price, and at the end of each month the contractor goes with the Commanding Officer through the prices and sees whether there are any variations that should be made in the canteen list.

930. You have that specified in your contract?—Yes.

931. (*President.*) How do the prices of the canteen compare with the retail prices of the neighbouring shops?—I think they are very much about the same.

932. And the married men get 1*s.* in the £ on purchases by contract, and you hope to make 2*s.* in the £?—He will have to give me that.

933. (*Mr. Harwood.*) But you could make 4*s.* in the £ if you raised the prices in the canteen?—Then the trade would be given out; they would go to the shops.

934. What is your experience of the Army; what would you think generally (it is only a matter of opinion), is the attitude of officers towards this canteen matter; do they like to have their canteens under their management, or do they not; do they find it a trouble. Do you think generally in the army in Ireland they would like to have some central organisation that assisted them, or do they prefer to have a free hand. Do they like the work or do they not?—I can only speak for myself. I should certainly like to have the control of my own canteen.

935. But I was only asking your opinion as to what the general feeling is, because if they do not like it, they will not do it well?—I should not like to say for other people.

936. It is of no use this Committee advising the establishment of a central organisation if the bulk of the officers who control canteens would prefer not to have it and would not deal with it if it were there?—I can only speak for myself.

937. (*Captain Boehmer.*) The canteens are in barracks, they are Government buildings, there are no rent, rates or taxes to be paid on the canteen, are there?—No.

938. Under those circumstances when an outside trader has to pay rent, rates and taxes (and you can put rent, rates and taxes certainly at 5 per cent. on his turnover), should not the soldier be able to get his actual material cheaper than he can buy it outside?—Yes, he should, rather.

939. But does he?—I could not answer that question.

940. (*President.*) You told me that the prices in the district and at the canteen are about the same?—I think they are.

941. (*Captain Boehmer.*) Supposing he gets it at the same price, does it not come back to the fact that the reason they practically get the article for the same price outside, at least, that they do not get them cheaper in the canteen, is because a good deal of this purchasing of sugar, tea and coffee, in fact, the business of a grocer, is rather conducted in an amateur fashion in the Service?—Yes, I think it is.

942. Do not you think that you, as making the contract for your canteen, are entirely at the mercy of the man selling you the stuff. You simply look at the price, but you do not know that you are getting value for your money, do you?—I certainly think I do.

943. You are not an expert?—I certainly think I do get proper value.

944. For what reason?—Because I know by experience whether an article is good or indifferent.

945. But in every trade; it does not matter whether it is a grocer's or a butcher's, is it not so; you cannot, not having had the training, know whether tea is worth 1*s.* 1*d.* a lb. or 1*s.* 2*d.*?—You very soon know from experience in the selling of tea and the drinking of it.

946. It comes to the same thing; it is all amateur buying. You would not like to be told that you are an expert grocer, would you?—No, I do not consider that I am.

947. Therefore you are an amateur at the grocery business?—Yes.

948. (*Colonel Bridge.*) If you were assured that there was a central society that could buy to the best advantage and that all its profits that it made went to the soldier, would you be in favour of such a society?—No, because it becomes a monopoly.

949. Your objection is more to the machinery than to the machine?—Yes, I think it is unsound.

950. (*President.*) Provided that you are compelled to buy from it?—Yes.

951. (*Colonel Bridge.*) But you understand that these firms now that supply canteens have also to pay a profit besides what they pay to the soldier, to their shareholders?—Yes.

952. You are aware of that?—Yes.

953. Have you any idea what sort of profit a firm like Dickeson & Co. would pay to its shareholders?—I should think something very small.

954. Are you aware that they are a limited liability company now?—Yes.

955. That they have issued a prospectus?—Yes.

956. Have you any idea of what their capital was?—I think it was a quarter of a million.

957. It was 225,000*l.* Have you any idea, taking last year's profits (which they showed), what it works out even at that capital?—I have not estimated it.

958. You have not seen their printed circular that has been sent round—I mean the prospectus?—No.

959. I only wanted to point out that there are two profits to be paid: the profit to the soldier and the profit to the shareholders, and I assume it is the same with all?—Of course with a large contractor like Dickeson he is satisfied with small profits for quick returns, because his turnover is going on perhaps four or five times in the year, and that is how he makes up his percentage.

960. I do not see how his profits would be quicker than anybody else's. Why should his profits be quicker than those of a ready-money firm?—I am not talking particularly of Dickeson.

961. I do not see why he should be able to trade any cheaper than any other concern that was trading with canteens on the ready-money system?—What I mean is, that any firm that is doing a big army trade and a big civilian trade could do better than I could in working the canteen by local men.

962. I think there was just a little confusion at the beginning of your evidence between the regimental system and the district system. When you were asked whether you were in favour of the regimental system and you said, yes, you meant for the Commanding Officer to manage it if he liked under the contract system. You do not want to go back to the old regimental system?—I meant that it should be left to the Commanding Officer.

963. You know what is meant by the difference between the old regimental system and the present contract system; you are more in favour of going to the contractor than going on the old regimental system?—Yes, because you set free your officers.

964. Another thing that you were telling us just now was, that if the Irish brewers could supply beer it would have an effect on the growth of barley, I suppose you mean, in the country?—Yes.

965. Do you think that all the Irish brewers brew with Irish grown malt?—I think there is a good deal in Ireland.

966. Sufficient to make a considerable difference in the amount of arable land?—Decidedly.

967. (*Mr. Harwood.*) There is one point that I might ask you. The present system seems to be, from the

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Hadfield.

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evidence that has been given before the Committee, to charge the soldier about the current prices in the shops, and to make a profit you say of 10 per cent., which profit goes to purposes for the regiment or the camp. Do you think that is a sound plan, or would it be a better plan to charge the soldier somewhat less. As we said, the nation pays the rent, the nation finds the building, therefore, you ought to be able to retail at a less price than a shop that has to pay expenses. Should not the soldier have the benefit of that in lower prices than the current prices in the district. It is taking it out of his pocket in one way and giving it back in another, to charge him 10 per cent. more than you ought and then give it him back in all kinds of treats and things. Is it a good plan?—You see you have a certain amount that you add to his messing money; therefore, he gets it back in that way.

968. But does he get all this 10 per cent. back?—Yes, it is all spent upon the soldier.

969. (President.) But he has no voice in the way in which it should be spent?—No.

970. That is settled for him by outside people?—Yes, by the Commanding Officer.

971. So that he has no voice in the allocation of those profits?—No, but the canteen profit is not only from the soldier's custom; it comes from the people trading round, too; I suppose more than half the takings come from outside the soldier.

972. (Mr. Harwood.) From whom?—From the people living in the vicinity of the barracks, the married people, and detached people and so on.

973. Would they not get a better benefit by having things sold to them at a less price?—They are not compelled to come to the canteen, and the fact that they are coming to the canteen, shows that they can get goods of good quality at a fair price.

974. But they get them above what they ought to pay really?—I think if they were sold above that they would not come at all.

975. But supposing they were sold 10 per cent. lower than now, and you made no profit, the man paying 10d. would pay 9d., and would get a benefit directly?—It would probably result in illicit trading—that the married families would be buying at the canteen, for their friends in the town, and then there would be trouble from the traders.

976. There might be that. I wanted to see what the reason was. That is a reason?—Exactly.

977. (President.) Has the fact never been brought before your attention, that there are a large number of workmen's co-operative societies all over the country where they retail goods at the current prices of the district, and distribute at the end of each quarter, on an average, from 2s. 6d. to 3s. in the £, which is 5 per cent. more than you obtain from your contract?—No.

978. It seems that it might be a profitable inquiry: how is it that working men are able to organise a distribution of the goods they require in such a way as to enable them to divide a larger profit than you are able to secure?—Possibly it is done by the restaurant system.

979. You do not know?—No.

980. I only suggest it to you as something that might be worth while for you to enquire into?—Thank you.

981. (Major-General Eaton.) Do not you think that the soldier would be a great loser, supposing the

canteen were run without any profit whatever?—Undoubtedly.

982. In many ways the profits made from the canteen are spent entirely on the soldier?—Yes.

983. And the soldier benefits enormously by those profits?—I think it is an undoubted boon to the soldier.

984. (Mr. Harwood.) You mean that you can spend the profit for him better than he can for himself?—But as I pointed out just now, we do not take the whole of it out of the soldier's pocket, therefore the soldier benefits by what he has given himself towards it, and what we have gained from other sources towards it.

985. That is a point, I admit.

986. (Major-General Eaton.) The individual benefit the soldier would derive from the few pence he would save every year is not at all in proportion to the benefit in the way the gross profits are spent in the regimental and battalion canteens?—I think by the way it is done, now the soldier has a very much better advantage than he would get if we reduced the prices to a mere nothing.

987. (Colonel Bridge.) You think that it would be an extremely unpopular measure in the Service, from your knowledge of Commanding Officers, and having been a Commanding Officer yourself, if the distribution of the profits were taken out of the hands of Commanding Officers?—Undoubtedly.

988. Do you not think now that the canteen supply is all tending to a monopoly; do not you think one of those firms is gradually beginning to eat up the others. There are three left now. One practically does not exist, and it is a little struggle between the two others, one of which is getting much the best of it. Is not that your experience?—It is; but I do not think that you would ever find you would have such a monopoly that you could not make a fair profit in comparison with outside trades.

989. You mean to say that you think other firms will rise up if one of these lean kine eat up the other?—Yes, I think so.

990. But at present it is almost a duel now—is not that rather your experience—between Dickeson's and Lipton's; it is practically becoming a fight?—I do not think it is with regard to prices; I think the prices are fair average market prices.

991. I am speaking of Aldershot. Practically at Aldershot Dickeson has wiped out Lipton; Lipton has hardly got a living?—But I think if the prices were raised beyond what is the trading price of the town or vicinity, somebody else would spring up and wipe out Dickeson.

992. And that would also apply to a central society in the same way, provided you were not absolutely tied and bound to them?—If it was not a War Office monopoly.

993. Such a society might be a benefit under those circumstances, because it would enter the lists and keep up competition?—Yes, it might tend to keep down prices.

994. There is no further objection to that beyond that you are afraid that you might be tied to it, and have to buy a sealed-pattern article?—I should not like to be tied to any monopoly, whether it was War Office or anybody else.

The witness withdrew.

Col. J. H. E.
Hinde, C.B.

Colonel JOHN H. E. HINDE, C.B., called in and examined.

995. (President.) What district do you represent?—The 10th Regimental District.

996. Where are you quartered?—At Lincoln.

997. How are the canteens in your district managed—on what principle?—They are on the regimental principle. I have personally no knowledge of district contract canteens or of tenant system canteens. I have only personal knowledge of regimentally managed canteens.

998. And how do they answer in your district?—I think they answer very well indeed if you are fortunate enough to have a proper committee and steward and a proper staff of waiters. I have put down a few notes.

I can only speak from personal knowledge of the regimental system, and I have just put down a few notes on it. The terms of reference seemed to be simply with regard to the present system.

999. Will you give us the benefit of your notes?—In considering the question of canteens and regimental institutions, I am of opinion that if a unit has a good Canteen Committee, an experienced and good steward and staff, the present system is the best in the interest of the soldier. This fortunate state of affairs is not often fully realised. The Canteen Committee, though very anxious to make the institutes a success, fail to do so perhaps from want of business instinct, or the steward may be indifferent, or waiters may have vague

ideas of honesty, and in consequence the soldier reaps a much smaller benefit than he ought to do. The present system also, in a large and well run canteen, undoubtedly does absorb too much of the time and attention of the officers in counting money, checking invoices, &c., and should affairs be going wrong it is often most difficult to trace the cause, particularly in the grocery bar. The duty of the officers then becomes a very trying and anxious one. Many very good officers cannot adapt themselves thoroughly to this class of work and do not like it because they feel they cannot, in the case of the grocery bar, master the trade details or properly judge the quality of the numerous and various articles sold in this department; moreover, when any loss occurs in the grocery bar it is extremely difficult to trace, and it entails frequent checks of the stock, which is an arduous business. For these reasons, in regimental or other large canteens, I am of opinion that it would be desirable in the interest of the soldier, and also in that of discipline, that the liquor bar should be kept absolutely in the management of the unit, as the liquor bar is not difficult to control, and the selection of the liquor is entirely in the hands of the men, whose committee decide which sample is most to their liking under such well-guarded rules that it is not possible to tamper with the tasters. The grocery and supper bars, on the other hand, I would certainly give to a contractor, who should be required to supply at prices to be fixed, and the quality of the articles to be approved by an expert. I think little profit should be sought from this branch so long as the men were well done. Under this system I believe the soldier would gain a more even advantage throughout the Army, and the Service would gain by relieving officers from a duty which few are qualified to undertake, and units would have fewer "employed" men. That, I think, is an important thing, because when we come to the short service every man ought to be in his work, and there ought to be hardly any of these "employed" men. In the case of depôt and other small canteens, I am not altogether sure that the amount of business would be sufficient to attract the right class of contractor if he only had the grocery and supper bars, in which case it might perhaps be more advantageous to the men to retain the present system.

1000. How many men are employed in the canteen under your management?—In the small canteens, like the depôt, there is a pensioner steward who gets 5s. a day, there is the canteen accountant who gets 1s. 6d. a day, and there is one waiter who gets 1s. a day; he waits in both the bars—the grocery and beer bar.

1001. He is a soldier?—Yes.

1002. In addition to his pay he gets 1s. a day?—Yes.

1003. These are all men on the pay list?—Yes, all except the canteen steward, he must be a pensioner.

1004. How many soldiers use the canteens?—It is such a variable number in the depôt; it is according to the time the drafts go away and the fluctuations in recruiting that make it a very variable quantity; but taking the average, I should say about 150 perhaps in the depôt.

1005. I understand that you are in favour of selling the articles in dry canteens at practically cost price to soldiers?—Yes.

1006. And confining your profit to wet canteens?—Yes, I should seek no profit on the dry canteen. If you gave it to a contractor, I should seek very little profit from the grocery and supper bar as long as the men were well done.

1007. Your object being to secure a soldier obtaining the best articles at the lowest possible price?—Yes.

1008. And you think you could obtain that better through a contractor than from some co-operative agency?—I did not deal with that, because I thought, according to the terms of the instructions here, it was the existing system that was before the Committee.

1009. The Committee would be very glad to have any view of yours as to how the existing system could be improved?—I think it would certainly be improved by dividing it up in that way, and keeping the liquor under the absolute control of the military authorities, and the profits that accrue therefrom for the benefit of the soldier, and giving him little extras, like his soup, free in the evening in the winter. That I always give the men from the 1st of November to the 1st of April. I withdraw it on the 1st of April, because the men begin going out of barracks in the long evenings; but

in the winter months, I always give him a bowl of soup free.

1010. How is that paid for—who pays for that?—That is paid for in this way: There is a grant made from the canteens which buys the bullocks' heads; then the bones from day to day from their rations are collected in the kitchen, and broken up and put in the stock pot together. That soup is boiling all day with vegetables and things of that sort, and it makes a really good strong soup.

1011. What does it cost you; have you figured it out?—It costs so little that if you give a 10s. grant about once a month, and charge each messing book 8d. a day for vegetables, and so forth, if you go into that that is 2s. for the four companies, and then you have the bones which are cut out of the men's meat, that adds to what you have given in the way of bullock's head, and that makes most excellent soup.

1012. I can quite understand that; but what does it cost you per plate of soup?—I have never worked it out, but it only costs the canteens about 30s. a month, about 1s. a day.

1013. And for 1s. a day how many men can you supply?—I can supply about 80 to 90 men.

1014. You can fill the stomachs of 90 men with hot soup for 1s. a day?—And they put their surplus bread into it from dinner.

1015. (*Major-General Eaton.*) I may say I did the same here in London, in Chelsea Barracks, for two years, by the sale of the dripping, and by saving the bread, asking the men whether they wanted all their bread served out in the morning. I was able to give all the men in my battalion in barracks, who liked to go to the kitchen at 8 o'clock at night, a slice of bread and a bowl of soup for nothing.

(*President.*) That was simply by saving waste?

(*Major-General Eaton.*) Yes, that was simply by saving waste, and by the sale of dripping and refuse.

(*Witness.*) The refuse I do not put into that; I put the money for the refuse into the men's messing books, and credit their messing books with it. It comes to a very little in a small force.

1016. (*President.*) I must ask you to explain that point; what do you call the refuse tub?—There is a contractor, who is dealt with every quarter as a rule, who contracts for what is called the broken refuse of the barrack rooms. After the men have had their meals, all their bits of potato, crusts of bread, and different things of that sort, are collected and put into a tub by the cook house; the man gives me at the present moment 1l. a month in the depôt; and an account of that is kept, and it is credited to the men's messing books in equal shares according to the numbers in the company. But that I do not put into the soup.

1017. What you cannot put into the soup you put into this refuse tub?—Yes, it goes in to increase their advantages in their messing book.

1018. (*Mr. Harwood.*) You seem to favour separating the wet and the dry canteens?—Yes.

1019. What would you think of some plan by which the groceries, and so forth, could be supplied from some central organisation, which could buy them at a less price than an ordinary tradesmen—I mean there are organisations which can afford to sell and distribute groceries and such things at a less price because they deal in such large quantities and so directly? What would you think of there being some such organisation as that to supply the groceries?—I think it would be very desirable; but my great aim and object in making this suggestion was to rid officers really of a duty that few are able to do thoroughly, and for that reason it is distasteful to them; not that they want to get out of anything for the advantage of the men in any way, but they feel that they are more or less in the hands of, perhaps, a manager, who may not be over scrupulous, and they feel that in many instances the men do not get quite the advantages that they would do if it was dealt with under the hand of an expert.

1020. We will not give it any name; but supposing there was some organisation that was well known which had the means and machinery—all expert machinery—for buying and getting all kinds of produce of this sort of the very best quality at the very lowest cost, and also had no interest to palm off on anybody anything inferior, and had no interest to make any particular extra profit out of them, would you

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think there would be an advantage, from your point of view, in relieving the officers of any anxiety as to their supply not being right?—Yes, that would go some way towards it; but, at the same time, the management of the grocery bar, if it is a really good one, is such a big business, if it is properly done according to the rules (that the officers are to check the invoices and all that sort of thing), that it really becomes most onerous.

1021. One of the points which this Committee has to consider is, whether it is possible to devise some machinery by which we may relieve officers of a good deal of that work by, as I say, providing some organisation which will give a supply of the best quality at the lowest possible price and without any motive whatever, either to gain profit or to depart from quality?—I think, undoubtedly, it would be very much to the advantage of the soldier, but not to the advantage of the officer.

1022. Why?—He would still have the anxiety of its distribution and its just management.

1023. There is another point. Supposing there were such an organisation—we will not suppose that it was compulsory on every canteen to deal with it—how would you manage the distribution of the supplies that were sent to the different canteens?—I think you could not have a better medium, if you have a proper staff, than the present system. It has really been worked up now in the Army pretty well; most regiments who began very lamely some eight or ten years ago are now getting on very well, simply because they have gradually got more accustomed to the working of it.

1024. But there is one objection to that system that has been brought repeatedly before the Committee, and that is that it takes away a number of soldiers from their work?—Yes, it does.

1025. We will assume that there is a canteen, and that the officers decide to have their groceries supplied from this supposed organisation, how would you suggest that they should manage the distribution?—If it would not be too expensive—I would advocate the organisation who supplied the canteen should supply the distributing staff. Of course the expenses, I take it, would be paid out of the institution?

1026. Yes?—I should say let the organisation that supplies in bulk supply the staff for its distribution, and when you walked into a certain barracks you would find it all ready there. That is to say, the staff would be appointed to a certain barracks, not to a certain unit. If that could be done I think it would be extremely advantageous.

1027. (President.) Then each unit as it comes in to replace another unit would appoint the supervising committee?—Yes, take the same staff that was there and furnish a supervising committee.

1028. That is really establishing the co-operative principle that exists among working men. Are you conversant with the arrangement made by working men?—No.

1029. Have you got any workmen's co-operative stores near Lincoln?—There are several in Lincoln.

1030. There they have had the same difficulties. They have organised the purchase and distribution of all their groceries, and there they have had the same difficulties of supervision to contend against which you have found rather difficult to manage in the Army?—Yes.

1031. And they have successfully overcome their difficulties?—I know it is an extremely anxious time for officers, because I have had a little experience of it in my regiment from an incompetent steward, who allowed great leakage to take place, and it was a source of the very greatest trial and trouble to the officers on the committee.

1032. (Mr. Harwood.) You have not had any experience of the tenant system?—No, I have never been in a district where it was in force.

1033. They provide paid attendants to distribute. When you said it was so costly, do you know that where the canteens are left to tenants they do not find it too costly because they find paid attendants. I think the Committee agree that it would be a good thing if we could do away with soldiers serving in canteens?—I should be very glad to see that done. You would then give these people the supply of beer as well?

1034. No, not necessarily; I should think not?—Because, of course, you could get a pensioner to act as steward; he could really do the canteen steward's duty and keep the accounts. Say that he was a pensioner and got 3s. a day he would be quite satisfied.

1035. My question was based upon your suggestion of dividing the wet and the dry, leaving the wet under the control of the present authorities and letting them use their profit for their purposes and turning the dry to some other system?—Yes.

1036. (Major-General Eaton.) Do you think that the compulsory purchase of all canteen supplies from one central organisation would be for the benefit of the soldier, without any competition?—I think it would, because (it has been the experience with me) all these items would be purchased by experts and for no other interest than that of the soldier; therefore they do not want to make it a business concern beyond paying its running.

1037. Then it would amount to this: that if the stuff supplied at canteens was objected to by the soldier he would have no redress whatever, because he would be told that it had been passed by experts, and that he could not possibly change his supplies?—Yes, there are objections, of course, to everything.

1038. So that there is no competition whatever; whatever was supplied to the soldier he would have to accept, because it had been passed by experts he would be told?—I think the expert would be right in that case. The soldier would really have no solid ground of complaint.

1039. Do you think it would be popular with the soldier not to have any voice in the matter?—He has not now.

1040. But he can have if he wishes?—Yes, he can.

1041. I beg your pardon; I think the soldier has a good deal of voice if the Commanding Officer leaves it to his men to say what they wish in their canteens, if the canteen is properly managed, and they give their suggestions, and so forth?—I do not think that you can do better than have the existing sub-committee, and if there is any cause of complaint, which may possibly happen through some accident or something of that sort, perhaps (in the best-run canteens there may be some mishap), if that is brought to the notice of the committee at once by the sub-committee, which is already established, you would hear of it at once.

1042. That is under the present system; I admit that is good. But if a central organisation was introduced and managed, say, by the War Office—by the staff of the War Office—if a soldier complained of his supplies the only answer he would have to that complaint would be that those supplies had been passed by War Office experts, and no change could be made?—There is an unfortunate tendency, I think, amongst some few, to always attribute some evil design to anything connected with canteens, and there are always one or two men in a regiment who will grumble; but 999 out of 1,000 probably would be perfectly satisfied. In my experience I have had no trouble in that way.

1043. But you see the source of their supplies could never be changed in one way. Now they can?—I have, of course, known men say that they would like to have some different butter. You say, "What is the matter with it?" "I do not like the flavour of it." That can easily be altered in the proposed scheme.

1044. (President.) I suppose you would favour the power of going outside the central agency if you thought you would get a better article for your soldier at a lower price?—Yes.

1045. You would like to have that power, but you would naturally use the central agency if you felt satisfied they were employing experts who knew how to buy well?—Yes, I think that would be a good thing; but I think most of the complaints that do arise have really little foundation, sometimes none, but at the same time it would disarm anything in the nature of that feeling.

1046. Then I understand your recommendations to the Committee are, to have a permanent manager in dry canteens, but to have a committee of supervision which changes with every new unit, to superintend his management?—Yes, quite so.

1047. Would you be opposed to placing upon that sub-committee, or upon the committee, a man elected by the rank and file?—I think I would. They have their sub-committee.

1048. What is the sub-committee?—The sub-committee are men who are elected by the companies, who form the sub-committee, and who are really the people who consume the goods.

1049. They know where the shoe pinches?—Quite so.

1050. I ask whether it would not be desirable in the interest of the soldier that that sub-committee should be represented on your supervising committee?—I do not think there would be any real harm in it; but I do not see any advantage in it.

1051. You do not see objection in it?—No, I do not. I am liberal-minded as regards the soldier in that way, and instead of having three men on the sub-committee I had eight in my battalion, so that each company could have its own man.

1052. That does not go below the non-commissioned officer?—No.

1053. The private has no opportunity?—I went beyond that in my own battalion, and let them have a private.

1054. On your sub-committee?—Yes, on my own responsibility.

1055. How was the private selected?—By the votes of his own company; they nominated him, and I had his name put down.

1056. Is that practice at all common in the Army?—No, I do not think it is.

1057. But you found it work well?—Yes; I never had what I call foolish or annoying propositions made, never once; the men were all perfectly straight.

1058. The men elect a man presumably of character and business capacity to look after their own interests?—Yes.

1059. And he has been of assistance on the sub-committee?—Yes, quite so.

1060. Have you any information to give us as to your per-centage of profits?—My canteen is a very small one. I just put the per-centages down for the last six months in case the Committee wanted to know them. The canteen was being run on not quite my own idea. I had not been long in Lincoln then, and I found they were making poor profits in the liquor bar. Men were getting beer at almost cost price, and I thought that was not necessary. In June the per-centage of profit was 36·86.

1061. Per-centage of profit on selling price you mean?—Yes, the beer; and in July I made an alteration and the profit went up to 63·31; in August, 63·74; in September, 66·09; in October, 72·20; in November, 71·10; and in December, 72·75. The unaccountable profits remained practically the same.

1062. To secure that profit on that beer, what price do you sell it at?—The beer, which they themselves had selected by sample, comes from Warwick and Richardson at Newark; it is bought at 28s. a barrel, that is a 36 gallon cask, and it is sold at 1s. 4d. a gallon, or 2d. a pint, or a penny a glass. It could not well be sold, good beer, under a penny a glass, and that penny a glass gives all that profit, so that it enables one to do more for the men in other ways. I think the grocery bar has been making too much profit, but it is very difficult to control it there. Nearly all the men at the dépôt are very young recruits, and they do not drink, but they eat a great deal.

1063. All the evidence is to the same effect?—We give them as much as we can, of course, in that way, to keep them to the food. I found we were making 15·92, 15·70, 14·97, 14·14, 15·02, 15·02, and 13·38 profit, with an unaccountable profit of a decimal.

1064. Those are the per-centages of profits?—Yes, and those profits are somewhat high; but it is unavoidable I take it, so far as I can trace it, in things that are bought like buns, and things these young fellows ask for. They are bought at 9d. a dozen, and you cannot sell a bun under a penny, so you make a little more profit really than you want out of those sort of things, I think; but still it is kept down. Our grocery and things of that sort are kept down as low as you can possibly get it.

1065. With every desire on your part to keep the profits on dry goods as low as possible, you find it difficult to avoid making 15 per cent., roughly?—Yes, on those particular items. Then of course, if the men

had to pay working expenses out of it, it would not leave them very much.

1066. It is simply the difference between purchase and sale?—Yes.

1067. That 15 per cent. is not calculated before the payment of wages?—Yes, it is.

1068. (Mr. Harwood.) Do you not debit the accounts with the moneys you pay the assistant, 1s. a day?—Yes, when the accounts are made up; but those are the exact per-centages of profits on the sales. Then, when we make up the accounts, all the wages are charged against the profits. Generally the beer bar pays all the wages, and then the credits of both bars are passed into the bank account of the beer bar, or canteen account.

1069. You spoke about supper—there seems to me to be a little difficulty there; it is not a matter merely of groceries in what you call your dry goods, but I take it your supper is connected with the dry goods canteen?—Yes, it is.

1070. Could the supper be transferred to the wet canteen?—Not very well, I think.

1071. There is a difference between keeping a shop and keeping a restaurant; it is easier to keep a shop than a restaurant on co-operative principles; and you have got a restaurant there?—Yes.

1072. The thing is how that should be arranged?—I think if you have the proper establishment and proper buildings, like you have at Aldershot, you can make it a most excellent establishment for the men, because you have everything; there is the grocery shop quite distinct and separate, then there is behind that the kitchen and the supper bar, and adjoining that is the supper room with a number of little tables that two and three and four men can sit at. The men go into the supper bar and they have a plate of liver and bacon, or they have a sausage, or something of that sort, and we used to allow them to have just one pint of beer if they chose. It used to be drawn and accounted for carefully; and it answered very well. But it was a great deal of trouble, and we did not carry it on for very long. We tried it at Malta chiefly. Of course, they had a very excellent room for all that sort of thing, and you could do it without any trouble; but in most buildings you could not do it.

1073. Why did you give it up? It is very interesting?—Because we removed to a barrack that was not suitable.

1074. (President.) You had not the accommodation?—No.

1074A. Provided you had the floor accommodation, you would go back to it?—I think I would. But if you once allow the beer to go out of the door and enter the barrack you never know that it gets to the supper room; therefore you must never allow beer to get out of the control of the military authorities, I think.

1075. (Captain Boehmer.) Could not a barrel of beer be put and kept in the supper room and drawn in the supper room?—Yes, we tried that; but it is not a particularly advantageous place to keep it, especially in a place like Malta, when it is hot, it is rather difficult to manage.

1076. It is done everywhere in India?—We used to take it over, but it was found so troublesome that we did what you say, had a small barrel in and made the steward account for it separately from the supper bar.

1077. (President.) How do you buy your beer?—At Lincoln in the usual way; we call for samples from brewers who are willing to contract for the beer; the samples are all submitted on a certain date, and two members of the committee then receive these samples in a room by themselves when the committee is there. In this room these samples are all put into exact *fac simile* bottles, and nobody knows whose beer is in any particular bottle except the committee; it is only known outside the room as No. 1, or No. 2, or No. 3; glasses are then put out, and so much is poured out; they sample No. 1, and sample No. 2, and so on, and they vote for whichever is to their fancy.

1078. How many tasters have you?—In a small dépôt like ours certainly one for each company.

1079. Elected by the men?—Elected by the men. They are the men who are supposed to understand beer, and they give their votes. If No. 1 got the most votes, the president of the committee would then note it at the time the votes were given to that sample, and it

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Hinde, C.B.

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Col. J. H. E. would be sealed down, and that man would get the contract. The contract would then go up to the General at York to be confirmed.

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1080. What class of beer do they like—a heavy beer?—No, they like a medium beer.

1081. Have you ever had any lager beer?—No. There is very little consumption of beer. The average monthly turnover, taking the last six months, has been about 41l. 7s. 8d. of beer in the month. It is very little. Of course, the groceries has been a great deal higher.

1082. What is the ratio between the wet and the dry?—The grocery average during the last six months has been 122l. 18s. 3d. a month.

1083. Three times as much?—Yes; and that really is because all the men's groceries are got through the canteen, even their vegetables are got through the canteen, and their milk is got through the canteen.

1084. To go back to the beer; after the vote has been taken on the quality, how does the element of price enter into the contract?—That is all given before the beer is sampled at all. When the brewers send in their samples they send up what they will contract for for each particular sample—the rate that they will contract for; and it is a curious thing that since I have been there we have had two of these committees, and on both occasions the same beer has beaten all the others out of the field.

1085. By a unanimous vote?—Not quite, but it showed such an enormous preponderance that there was no shadow of a doubt.

1086. What beer was that?—It is brewed by the firm of Warwick and Richardson of Newark, and I think they are good men, because there are never any complaints. Whenever I go into the canteen and ask the men, they say it is all right.

1087. (Mr. Harwood.) We have had beer and groceries considered; what would you say was the best plan for buying perishable things, such as vegetables, milk, butter, and eggs?—Those, I think, might be all got by local contract.

1088. Under the committee?—Under the control of the committee.

1089. By local contract with traders in the neighbourhood?—Yes.

1090. (Captain Boehmer.) About the price of beer that is paid for the soldier; it really hangs on that expert question again whether Commanding Officers know whether they are getting value for their money. This beer I presume is listed at 36s., the ordinary retail price being 1s. a gallon?—Yes.

1091. What discount do you get?—With this particular beer it is 28s. per 36 gallons.

The witness withdrew.

1092. That is to say, you do not know what the ordinary retail price of that beer is to the household consumer outside the barracks?—No, I could not tell you.

1093. That is to say, although that is tasted, you, as an expert, really, in the buying of beer, do not know whether you are getting value for your money?—No. In the big canteens, I suppose, where you have an alcoholimeter, one of those things for measuring the gravity of the beer (our canteen is so small that we have not one), you can test the beer at any time, and in any regiment one officer always knows how to do it, so that you can always test whether you have the contract gravity.

1094. I should think, taking a beer sold at 4d. a quart, 28s. is a very high price to pay?—Yes, you mean the retail price?

1095. No, I mean a very high price to pay the brewer; no publican pays as much. A tied house does; but a free publican does?—Of course the great thing is to put the beer down at a reasonable rate to the men.

1096. I only brought the question up because it comes back to what you advocate, really, that, to purchase in the market, experts are required to know that they are getting value for their money?—Yes, I think so with regard to all dry goods; but here is an instance where the officer has not the smallest voice in the matter; he really simply puts the samples before the men and the men's delegates select the beer, and the officer has not the smallest choice.

1097. Except that he has the settling of the price?—Yes.

1098. He does not know the price he ought to pay, does he? He simply takes the men's choice and pays what the brewer asks?—Yes.

1099. You do not bargain?—Well, we bargain to a certain extent. If we think he is asking more money than we can sell it at to make a fair profit we make him come down a bit.

1100. (President.) I understand that you invite tenders from certain firms?—We invite tenders from anyone who likes to send one in.

1101. You have an open advertisement?—Yes, we advertise for tenders, and ask those desiring to tender to send in their samples by a certain date.

1102. (Mr. Harwood.) But if you had some very good beer at double the price of some other beer, the men would naturally choose the better beer if you do not take any other matter into consideration, such as price?—No doubt. Of course, if they select a very high-priced beer it is priced high in the canteen. We used to keep two kinds of beer, but the men could not afford to pay for a very good beer.

Major J. H. A.
Anderson.

Major J. H. ABBOT ANDERSON, 4th Battalion Manchester Regiment, called in and examined.

1103. (President.) What district do you come from?—I come from the Cork District.

1104. Will you tell us something about your canteens in Cork?—We have a garrison canteen at present. There are two battalions in these barracks at Cork—the King's Royal Rifles—the Provisional Battalion—and my regiment, half a battalion.

1105. Is it let to a tenant?—Yes, a local tenant.

1106. Who is the local tenant?—A firm of the name of Dobbin, Ogilvie, & Co.

1107. Is it an Irish firm?—Yes, they are a Cork firm.

1108. Are both dry and wet canteens let to them?—Yes, he runs the whole thing.

1109. What is the turnover; can you give us any figures?—I could not do that. The thing is done through the Deputy Assistant Adjutant-General of the A Department. All I know is the rebate that we get every month.

1110. What rebate do you get?—2s. 6d. a man per month.

1111. You cannot tell us what the scale of business is, what the turnover is, and what profits the firm make?—No.

1112. Do you know what the contract is; can you put in the contract?—No, I cannot. That is done by the Staff.

1113. Is there any special point on which you wish to give evidence?—No, except that I think that dealing with local people is a very good thing, especially in Ireland.

1114. You think it is better than the regimental system?—The tenant system has many points of advantage over that.

1115. Will you tell us the advantages it has?—One advantage is that you have your men at their proper work; that you have not to supply canteen stewards and waiters, and all that. And another thing is, I think, the men are just as well done; there is less chance of peculation or greasing the palm of these people in the canteens; they have not the temptation in their way.

1116. You do not find that there is an inducement on the part of the canteen sellers to push the sale of liquor unduly?—I do not think so. I think that would happen under any circumstances. There is more made out of the wet canteen than out of the dry; a man makes more out of beer than out of groceries; so I think under either system it is to their benefit to push the sale of beer.

1117. Do you not think it would be a good thing if you could organise your canteens in such a way as to secure the whole profit for the benefit of the soldier?—Yes; I think if you could do that it would be. It is rather a difficult thing. You have no wages to pay under our system; the tenant does the whole of that. Formerly, I should think about 15*l.* a month went in wages to attendants, and all that sort of thing.

1118. Very low wages, are they not?—Yes, according to the scale laid down in the pamphlet which I have here. I think it is laid down here at about 2*s.* 6*d.* a day to manage the canteen, 1*s.* 6*d.* a day to the attendant. I think that it comes, roughly, to about 15*l.* to 20*l.* a month in a small canteen.

1119. But your canteen at Cork is a large affair, I suppose?—Yes, a very big thing.

1120. It serves about—how many men?—The Rifles have about 600; there are about 1,000 men there now, roughly.

1121. And you have no idea what the amount of the takings of the canteen tot up to?—No, I cannot tell you. I have not the working of the thing to do at all. I am simply representing the regiment on the Canteen Committee. We have had this system at work in the regiment with a five company battalion; mine is one of the recently raised battalions, and we have had the system ever since we were raised. We were at Portland last year for nine months and had the tenant system there. We went on to Kinsale last July and had it there, with this same firm at Cork running our canteen.

1122. If you could have a permanent staff managing your canteens in the interest of the soldier, without drawing upon your men, would you be in favour of that as opposed to the tenant system?—Yes, I think perhaps it would be a good thing. I have not really had time to think it over.

1123. But you have not thought it out sufficiently?—No. Of course the great thing with the tenant system is the saving of the men, and your having your men at their duty. Of course it saves men fatigues and all that sort of thing.

1124. (*Mr. Harwood.*) Who makes your contract with these people? You may be of some assistance to the Committee, among other reasons, because you are the first person who can tell us about dealing with another firm than a certain ring. Who makes the contracts with these people?—The canteen president. The second in command would in the case of a battalion. In our case, where we have a garrison canteen, it is made by the Deputy Assistant Adjutant-General for A.

1125. Is there a fixed tariff for everything arranged?—Yes, there is a price list hung up in the canteen; that is one of the orders.

1126. How are your perishable things supplied?—He supplies everything; the regiment is fed by this man; the whole of the thing is done through the grocery books. The companies' groceries are supplied by this man, eggs and such like.

1127. Have you any complaints as to the quality not being kept up, or any difficulty in that way?—No. That is one of the disadvantages. It wants careful supervision.

1128. What makes you think so?—Because from my own experience in the case there may be light weight given, and things of that sort.

1129. What is your experience in the case; is the quality kept up; is weight given honestly?—I think so.

The witness withdrew.

Sergeant-Major CHARLES WYNNE, Argyll and Sutherland Highlanders, called in and examined.

1145. (*President.*) What is your regiment?—The 8th Provisional Battalion, stationed at Belfast.

1146. You have come to give evidence as to the working of your canteens?—Yes.

1147. Will you inform the Committee how they work in your district. On what system are they run, the regimental system or the tenant system?—The tenant system.

1148. To whom are they let?—To Mr. McCardell, for beer.

1130. You never had any difficulty about it, but it has to be watched?—Yes, it has to be watched.

1131. In the way of eggs and those things which are supplied from day to day, that are variable, have you any complaints about their not being kept up in quality?—No.

1132. There is another matter that has been brought before us by one or two witnesses; that is, that where they have the tenant system they do not receive the same attention; this is a complaint from the soldier's point of view, that he does not receive the same attention as they do when they are served by soldiers. Is that so?—I fancy, that it would be to the soldier's benefit to keep in with the men of course. Perhaps a civilian has not the same motives, because he knows he is pretty well safe there. There is something to be said for that.

1133. They say it is not anything like as comfortable, that they are not attended to in the same way, because the man is a civilian, out of their control as it were?—But this firm of ours uses nearly all old soldiers; I think they are all old soldiers.

1134. Is that specified as part of the arrangement?—No, but these firms generally do that. I had it specified in my battalion when I was running my regimental canteen.

1135. Did you reserve to yourself any right to dismiss the attendants if they were not satisfactory?—Yes, and there was a system of fines too (that one would seldom enforce), also you have the option, on a fortnight's notice or a month's notice, of closing the tenancy.

1136. But how about an individual attendant. Several soldiers have told us that they were not as well served. Supposing an individual attendant was not polite, could you discharge him?—No, we should have to apply through the tenant to have him discharged.

1137. (*Captain Boehmer.*) Who is the judge of quality, that you are getting value for price?—The Army Service Corps officer makes surprise visits from time to time.

1138. Do you think as an amateur that you get full value for your money, or do you think an expert would buy better?—I am perfectly certain that an expert would buy better.

1139. (*Colonel Bridge.*) Is that firm who run your canteen a firm of brewers?—No, it is a firm of dry goods people.

1140. Grocers?—Yes, like Dickeson and Company, or Lipton's. Of course, the beer is supplied through them; they have to supply beer. We give them the name of the brewer selected, and they have to supply it.

1141. (*President.*) Where do you get the beer from?—Beamish and Crawford. At Kinsale we had it from Simmonds of Reading; the men preferred it, and so did the sergeants too. This firm supplied the Reading beer.

1142. (*Major-General Eaton.*) Do you not think that the Commanding Officer ought to have some option as to whom he employs to supply his canteen, where he gets his supplies from?—Yes, I think so. It rather hampers one in the districts.

1143. You would not be in favour of having it compulsory on Commanding Officers to buy from one particular store?—I think compulsion, especially in Ireland, would be rather bad.

1144. You are entirely in favour of competition?—Yes, I think so. I think the tenant system is as good as any.

Major J. H. A. Anderson.

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Sergt.-Major C. Wynne.

Sergt.-Major C. Wynne. consider they are much dearer than under the regimental system.

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1154. We should like to have your opinion, whether you think the tenant system works better than the regimental system?—I will just give you a brief outline that I have here. Take a regiment running the regimental system, 700 strong, the profit varies from 170*l.* to 200*l.* a month; the working expenses in the regiment for that month is about 20*l.* clear of profits. Under the tenant system, with a regiment of the same strength, the profit is 70*l.*

1155. As opposed to what—on the regimental system?—That is just about one-third under the tenant system of what it is under the regimental system.

1156. (*Major-General Eaton.*) You have to pay for your goods outside?—No, that is clear profit, 170*l.* That is taking a regiment 700 strong.

1157. (*President.*) 170*l.* profit minus 20*l.* for wages?—Yes.

1158. That is net profit, 150*l.*?—Yes.

1159. And under the other system what do you say?—Under the tenant system with a regiment of the same strength it would be 70*l.* profit.

1160. So you make twice as much profit under the regimental system by that?—Yes.

1161. And do you get an equally good service?—Yes, under the regimental system.

1162. You get done equally well?—Yes, the goods are much cheaper, such as provisions—groceries.

1163. I understand from you that the soldier gets twice as great a profit under the regimental system, and pays less for the things he buys?—Exactly.

1164. So that you are naturally strong in favour of the regimental system?—I am not in favour of either the regimental system or the tenant system.

1165. What are you in favour of?—I am in favour of a Government system.

1166. Will you explain to the Committee on what lines you would recommend a Government system?—That the whole thing should be controlled from one department, and these institutes should remain permanent in the barracks, and not be shifted about. What the soldier wants is comfort, and he wants quantity and quality; those are the three things a soldier wants.

1167. And you think the soldier would be better served if you had a big co-operative system, worked from a central organisation, with a permanent establishment at each garrison town?—Yes.

1168. Supervised by a local committee?—Exactly.

1169. Would you have the men represented on that committee—the rank and file. You are a non-commissioned officer; you have sub-committees for non-commissioned officers?—Yes.

1170. Would you allow the rank and file, the privates, to come on to that sub-committee?—No. If it was a Government canteen it would be regulated by Government, and the prices would be confirmed by them.

1171. But in order to secure that these canteens should be run in the interest of the soldier, would you be in favour of the soldier having the power of making his views known?—Yes, I would allow him to let his views be made known in that case.

1172. How would you supervise the canteen managers?—My idea to run it would be for men, such as old soldiers, to be appointed there. The canteen would be controlled by the manager, and the old soldiers—discharged pensioners—would be employed in these departments.

1173. Have you discussed that with the men and your brother non-commissioned officers in Belfast?—Yes.

1174. What is the view that they take?—That is the whole view; that the whole thing be run under Government control.

1175. Rather than under the tenant system or the regimental system?—Yes. If you work out for the two years that a regiment is stationed the profits they can make, by shifting about there is no benefit to the soldier at the finish. It would be much better if these places were permanent and more comfortable to the soldier, so that when you march into barracks you have a comfortable institute to go to, and get a comfortable bite to eat.

1176. (*Major-General Eaton.*) To carry out this proposal of yours, you would have to build new canteens and new institutes?—No, not new canteens.

1177. Well, new institutes in most barracks?—We have the advantage in that way.

1178. But in most barracks I have been into, the coffee bars, institutes, and libraries are not very good?—No, too small.

1179. That would be an enormous outlay for the Government to undertake?—It may be an outlay to start with.

1180. How is the profit of the canteen to come if all this enormous outlay is to be undertaken at first; how will the men get any profit at all on their present working; any profit would be about 100 years hence?—They would reap the benefit from the comfort of it.

1181. (*Mr. Harwood.*) How would you provide vegetables and perishable things?—I should provide them locally. I believe in dealing in everything locally if possible.

1182. (*President.*) Would you rather pay more for an article bought locally than for a similar article equally good brought from a distance?—To compare it, I have compared the thing myself, according to the tenant system, with regard to vegetables at Belfast, I can go to a local man and purchase them much cheaper than what the tenant system does for us.

1183. Of course you are in favour of getting the best possible article at the lowest possible price for the soldier?—Yes.

1184. And you want the fullest freedom to go to whatever market you can get the best article at?—Yes.

1185. And you often get the best article at the lowest price near at hand?—Yes.

(*Major-General Eaton.*) How will you get these things locally if you are going to one central organisation?

1186. (*President.*) I think you meant that you were in favour of having a central organisation from which you could buy, but that you should have the power of going outside it if you could buy better locally?—Yes.

1187. (*Major-General Eaton.*) Then the central organisation is only to be in competition with any other firm?—I do not mean such things as potatoes and green vegetables; those might be purchased locally.

1188. Then I do not see where your central organisation comes in, if all such things as potatoes and flour are to be bought locally?—I did not say flour, only potatoes and vegetables.

1189. (*Colonel Lambert.*) I understand that you are acting regimental sergeant major of a provisional battalion?—Yes.

1190. You think it would be for the benefit of the men if the canteens were permanent, or the regimental institutes, so that as each regiment came in they found everything ready for them, so as not to have the expense of moving things about?—Yes.

1191. If you think that good for the men, do you think that a similar system would be good for the sergeants' mess?—Yes, exactly.

1192. You have been president of the sergeants' mess, I suppose, before you were regimental sergeant-major?—Yes. My whole idea is this, that no institute should be under regimental control whatever, that these institutes should be permanent in the barracks, and that you should walk out and leave them there.

1193. And the sergeants' mess the same?—Yes.

1194. (*President.*) You have a co-operative store in your parts?—Yes.

1195. You are conversant with the working of the co-operative store?—No, not very well. I do not believe in regiments having to look after all these institutes. If you want to be soldiers, be soldiers, and if the institute is there you can walk into it. What the soldier wants is comfort and a good bite to eat in it. Under the tenant system if a man goes in he wants a good supper and he cannot get it, and the consequence is he has to go to town to get it. I do not see why he should not get it in barracks.

1196. (*Mr. Harwood.*) Why can you not get it under the tenant system?—A man probably wants a bite of meat, and it does not suit the attendant probably that

day to get it. They only go for the simple, rough-and-ready tea and cake, which is no good.

1097. You find an unwillingness to supply, under the tenant system, the men's special wants?—Yes.

1098. Does that refer to supper chiefly?—Yes, to supper chiefly, because if you compare the suppers, a man can go out to the city and he can get a very good supper for 6d. I do not see why he should not get the same in barracks.

1199. He cannot; can he?—He cannot get the same stuff.

1200. Is it that it is dearer, or that he cannot get it at all?—As a rule, they do not run it regular; they may have it one night; they may be two nights without it.

1201. You cannot rely upon it?—No.

1202. (President.) Is there any other statement that you would like to make to the Committee?—No. My points are that the soldier does not grumble about paying for a good article, all he wants is comfort and quality—that is all.

1203. (Major-General Eaton.) Are you speaking now from your experience of the regimental canteen or provisional canteen?—I am speaking of both. I was at the regimental, and I have been with the provisional now for over 12 months.

1204. Where was your regiment last, when you were in the regiment?—In Dublin.

1205. Were you supplied by the same firm there?—No.

1206. Who supplied you in Dublin?—Dickeson.

1207. And before Dickeson, had you the regimental system?—We had always the regimental system in my regiment.

1208. Always?—Yes.

1209. You had no contract with Dickeson's?—We had just got the groceries from Dickeson.

1210. Without any contract; you simply paid him and bought what you wanted?—Yes.

1211. You had no rebate from him at all then?—No.

1212. You purchased from Dickeson's the same as you would from any other firm?—Yes.

1213. (President.) How is your beer selected, and how is it bought?—At that time, what the regiment fancied was Younger's beer.

1214. And now, at Belfast, what is it?—McCardell.

1215. He supplies the beer?—Yes.

1216. Who chooses it?—It is by contract with a board of officers.

1217. Who is the taster?—The men.

1218. And it is their selection which is purchased?—Yes, and any complaints they have to make they make.

1219. Is there much difference of opinion about the beer by the tasting committee of the men?—No.

1220. Or are they generally pretty unanimous?—Pretty well, altogether. The reason, I think, as regards the beer, dealing with the local brewer, or the one sort of beer sold right through, is that it would not have so much effect on the men as changing the beer.

1221. You think changing the beer has a deleterious effect on the men?—Yes; once the men get used to one beer, they will very likely stick to it. On the regimental system we dealt for nearly 13 years with the one beer sold in the canteen.

1222. (Major-General Eaton.) That was Younger's?—Yes.

The witness withdrew.

Private JOSEPH HANCOCKS called in and examined.

Private
J. Hancock.

1223. (President.) What is your battalion?—The 14th Provisional Battalion, stationed at Cork.

1224. (Major-General Eaton.) How is your canteen worked in Cork?—It is worked by civilians.

1225. On the tenant system?—Yes.

1226. It is a garrison canteen, is it?—Yes, for the two regiments, for the Manchesters and ourselves.

1227. Who is the contractor?—I do not know who the contractor is.

1228. Do your men prefer the tenant system to the regimental system; have they expressed any opinion?—I should think they would like their own regimental men.

1229. Have you heard them make any complaints of the present system, the tenant system?—No, I have never heard them complain of the present system; only about the things that they sell.

1230. Have they any idea about the profits made in the canteen; do they know at all what the profits amount to?—No, they do not know what the profits amount to.

1231. Do they know what rebate is given by the tenant?—No.

1232. They are perfectly ignorant of the working of the canteen altogether?—The majority of them are.

1233. Have you yourself any idea what rebate is given by the contractor. Do you yourself use the canteen pretty regularly?—Yes.

1234. Do you know what they pay back to the canteen fund?—No, not at all.

1235. Have you any idea?—No.

1236. Have you any idea what profit was made in the canteen under the regimental system?—No.

1237. Were you perfectly satisfied yourself with the way in which the surplus funds so far as you knew were spent?—I do not know which way the funds were spent. I have never seen them spent.

1238. But I suppose you know that you have got a certain amount of privileges—Christmas dinner, I suppose, for one thing?—Yes.

1239. You knew that came out of the fund?—Yes.

1240. You probably have a football club?—Yes.

1241. You know money is given towards the football club?—Yes.

1242. And recreation?—No, we pay for them ourselves.

1243. Have you any suggestions to make that you think would improve the working of the canteen?—Yes.

1244. How many years service have you had?—11½ years.

1245. As an old soldier have you any idea of what would improve the working of the canteen?—Yes, I should like to see the things sold a little cheaper, such as matches for instance, they are 3d. a dozen boxes in the canteen, and you can get them for 1d. outside.

1246. You cannot buy them for 1d. outside, can you?—Yes, out in town.

1247. Have you ever represented that to your Canteen Committee?—No.

1248. Why not?—I have never seen the Canteen Committee.

1249. But you know there is a Canteen Committee in your battalion?—Not that I have heard of.

1250. Supposing you had a very bad glass of beer, who would you complain to?—To the Field Officer when he came round.

1251. Then why have you never asked the Field Officer when he came round about the matches?—There are occasions when he does not come round, and you do not see him.

1252. But you have that opportunity of seeing him?—The best is to keep my tongue between my teeth and say nothing at all to him.

1253. You think you would get yourself disliked in the battalion?—Yes.

1254. Is there any feeling amongst the men as to how the money is spent, do you think. Have they any belief that the money is spent improperly for any other purposes except the benefit of the soldier?—According to the arguments they have in the barrack room, they say they should expend the money on them in barrack room for certain things.

Private
J. Hancocks.
3 April 1902.

1255. What sort of things?—Extra games in the barrack room that the men have to supply for themselves.

1256. Is not that supplied out of the Canteen Fund?—No, we have our own Sports Club which we pay so much a month to.

1257. None of you seem to take much interest in what happens to the money spent in the canteen?—The majority of them do not; they do not care where it goes to.

1258. In fact you do not like to complain?—No, that is it. Then there are always dirty pots that you drink out of in the canteen, musty pots.

1259. That is surely a fault that you might have represented to your committee.

1260. (*Mr. Harwood.*) Do you consider that you get as well served in your canteen as you do in the shops in the town?—No, it is dearer in the canteen.

1261. And in regard to the beer and that kind of thing, is your canteen served as tidily as if you got the drink in the town?—No, nothing like it, it is beastly served.

1262. (*Major-General Eaton.*) It is done by an Irish firm in Cork, is it not?—Yes.

1263. (*President.*) Are you a private?—Yes.

1264. Why were you specially selected to come here and give evidence?—I could not say.

1265. Who selected you—the men or the officers?—Some of the men, I think it was, selected me. I was about one of the oldest soldiers that was there.

1266. And you really know what the grievances of the men are?—Yes.

1267. And you suffer from bad service and high prices?—Yes.

1268. Have you any suggestion to make as to how you could reform the canteens?—Yes. I would like to

see some games in the canteen, and better pots to drink out of, and better tables to sit down to.

1269. Would you alter the character of the management?—Yes.

1270. How would you alter it?—I should like to see them have all sorts of things, such as a billiard table; there is one in the sergeants' mess, and I do not see why the privates should not get one out of the canteen funds. There is a billiard table in the regiment, but they have to pay for it.

1271. (*Mr. Harwood.*) In regard to supper, do you get suppers in your canteen?—Yes, we get suppers.

1272. What sort of suppers?—You can buy eggs and bacon there.

1273. Which canteen do you have it in?—In the dry canteen.

1274. Can you have any beer with it?—No; that is what the men would like, and they cannot get any. And the men would prefer to carry a pint of beer away for dinner at the dinner table.

1275. But you cannot have it?—No, you cannot carry it away to your barrack-room for your dinner.

1276. (*Major-General Eaton.*) You all have dinner in your barrack, in the barrack-room?—Yes.

1277. There is no dining-room?—No, it is separate rooms.

1278. (*Captain Boehmer.*) Have you served out in India?—Yes.

1279. You know the system in India where the orderly clerk goes to the canteen in the middle of the day for dinner beer; is that done in England with the canteen?—No, it is not.

1280. Do you think many men would have a pint of beer instead of going to the canteen, if it was done on that system?—Yes, the men would prefer to have a pint of beer with their dinner, and have only one pint; and if they go into the canteen they might meet a lot of chums and spend a lot.

The witness withdrew.

Q.M.G.F.
Plant.

Quartermaster GEORGE FREDERICK PLANT called in and examined.

1281. (*President.*) Where are you quartered?—At Derby.

1282. And you have been sent up here to give us some evidence as to the working of your canteen?—Yes.

1283. How is it managed—on what principle?—On the regimental system.

1284. Does it work well?—Yes.

1285. But it could work better?—It could work better.

1286. Will you tell us how you think it could be improved?—At the present time the manager has not sufficient scope; he is limited to every order passing through the committee. There are things required. We could have a host of things in there, but our stock is so limited. We must show as much cash credit as possible at the end of the month. I went into the canteen, when I went to Aldershot last time, to see how the tenant system worked, and I found a greater variety there than we have at Derby.

1287. You think the tenant system would work better than the regimental system?—I think it might be modified between the two.

1288. You want to get the advantages of both systems?—Yes.

1289. By some new scheme?—Yes.

1290. What would that be?—The soldier would get the same class of article as he is getting now, only he would get it cheaper.

1291. Have you discussed that with your own mates?—Yes, I have talked it over in the mess rooms.

1292. A good deal, I daresay?—Yes.

1293. What is the general opinion of your mess now on the subject of the canteen?—They think they should be able to get everything out of the canteen. We cannot. There are very few of our married people deal at the canteen.

1294. Why?—Because they can pick up anything in the town. The goods are laid out in town, whereas

the manager at the canteen says, "You must have 'what is there.'"

1295. They have not the same choice?—No.

1296. And the article is not so cheap?—Just about the same. Most of our people belong to the co-operative stores.

1297. You are conversant with the co-operative stores?—Yes, I belong to it myself.

1298. Do you trade with the co-operative stores or the canteen?—The co-operative stores.

1299. Why?—Because I have a small profit there, which I feel that I would not get otherwise.

1300. You have certain advantages?—Yes.

1301. I want you to tell the Committee what the advantages are?—For every 1*l.* I spend in it I get 2*s.* 6*d.*, and I never feel it. I daresay now I have 10*l.* or 15*l.* to my credit there.

1302. What prices do you pay for the goods on which you receive back 2*s.* 6*d.* in the £ compared with the prices in the canteen?—Of course there are some things that are cheaper in the canteen than they are there. I go to the canteen for such things as bacon.

1303. You go wherever you can get things the cheapest?—Yes.

1304. As a rule you find it an advantage to trade with the co-operative stores?—Yes.

1305. Do you think we could apply the same co-operative principle to your canteen. Could we run your canteen on co-operative lines?—I see no reason why you should not have one depôt to supply the canteens.

1306. You are a member of the Co-operative Society?—Yes.

1307. And you are a member of the canteen?—Yes.

1308. I want to know whether you, having an intimate knowledge of the working of both systems, are of opinion that you could reform your canteen in such a way as to run it on the lines of the Co-operative Society?—I do not think so.

*Q.M.G.F.
Plant.
3 April 1902.*

1309. (*Mr. Harwood.*) Could you bring a co-operative shop into the barracks. You have to go outside into the town for the co-operative store; could it be brought into the barracks and made the canteen?—I see no reason why it should not. It would be like a commissariat supply for the whole lot. I do not think it could be done by getting the thing locally.

1310. (*President.*) How many men are served by your canteen?—About an average of 200 men per month.

1311. Two hundred permanent customers for your canteen?—I should say so. We are generally close on the 200.

1312. So that if, as one member of the Committee suggested, you could bring the co-operative store into your barracks, that would be equivalent to having a society with 200 members?—Yes.

1313. Then the married men are outside in addition to that?—The married men live outside the barracks.

1314. Do you know what the turnover in your canteen is?—Yes; I am the accountant. The average turnover during the last six months on beer was 90*l.* 9*s.* 10*d.*; dry goods, 172*l.* 12*s.* 1*d.*

1315. A month?—The average for the last six months. During the last six months we have had a lot more men than we generally have.

1316. How did you pay your manager on the regimental system, 2*s.* 6*d.* a day?—5*s.* a day. He manages both the coffee shop and the canteen.

1317. They are both under one roof then?—Yes.

1318. Is the accommodation under your canteen as much as is required for the convenience of the men?—No, it is not so far as I should like it; the coffee shop is upstairs and the canteen underneath.

1319. What should you say is required now, from your experience, to meet the natural requirements of the men?—A larger room in place of the tap room, more on the restaurant style.

1320. Could that be done without spending much money?—No, it would practically want re-building before it could be done in that style.

1321. Is that your experience wherever you have been quartered?—Yes, in most of them the library has been upstairs, except in the new barracks.

1322. How many canteens have you been acquainted with in your term of service; you have been in many different quarters I suppose?—Yes.

1323. And you have a pretty wide experience?—Yes.

1324. And your experience is uniform that the building accommodation for the canteen is insufficient?—Yes.

1325. And if you had larger buildings your men would be happier in remaining in the barracks and would not be tempted to go out into the town?—Yes; there is not sufficient comfort in the canteen for the men. The library is the principal place the men flock to. In our place we are principally connected with the recruits, and the recruits do not go much to the canteen, they go more to the library; they are principally young lads; there is not many of them goes in for beer drinking.

1326. You find that the young men eat more and drink less?—Yes.

1327. (*Major-General Eaton.*) How long have you been at Derby?—Eight years.

1328. Then I suppose, dealing with the co-operative society there, have you got a deposit?—Yes; I get interest on my money.

1329. Then your book is kept there?—Yes.

1330. Do you think it would be possible in the canteen of a battalion of 800 men to keep a book for each individual?—I am afraid if it came to book work there would be some shuffling.

1331. You could not work the canteen on the co-operative system. It was suggested that you might bring the co-operative shop into the barracks; but on the same lines every man in the battalion would want an account book, and every glass of beer he had would have to be entered?—Of course, in the co-operative store we get the check straight away.

1332. Do you think it would be possible to work that system in barracks?—I am afraid not.

1333. (*Mr. Harwood.*) Would it not be possible to work the system not with the individual, but with the unit; that is to say, the individual makes no difference. I consider the regiment is the customer, and they might keep a book for the regiment instead of the individual, and the regiment get the profit?—Yes.

1334. There is no difficulty about that?—No.

1335. I do not see that Privates A and B would necessarily each have a separate account; but it would be possible to apply the co-operative principle so far as cheapness and bonus to the regiment as a whole is concerned?—Yes.

1336. (*President.*) That would be only as regards dry goods, not the liquor?—No; we never have any complaints at all about the liquor; it is very satisfactory.

1337. My point was with regard to the question that was asked you, if a man from the Rifles came in and asked for a glass of beer—you do not mean that?—No, all the regiments would have to have the benefit of the glass.

1338. (*Major-General Eaton.*) You say you get 2*s.* 6*d.* in every sovereign returned?—Yes.

1339. Have you any idea at all what the profit on each soldier in the canteen is?—No.

1340. Do you think it amounts to as much as 2*s.* 6*d.* a man in each £?—No, I do not think it would, because we sell a lot of things at cost price, or just the least thing over.

1341. (*President.*) But you look to make your profits out of the wet canteen and not out of the dry?—More comes out of the wet than the dry.

1342. (*Mr. Harwood.*) You said that by the tenant system you got a larger choice of things in your canteen than by the regimental system?—In the canteens I have seen.

1343. Do you suppose that is because the person who has taken it, the lessee, the man who is the tenant, has therefore an object in pushing the business?—Yes, that is it.

1344. Whereas in the regimental system you have not the same motive for pushing business?—No, you are limited to book-work, because now the stock audit is a tremendous size; it takes me eight hours to work it out; whereas, in civilian places, they have twice the amount of stock on sale.

1345. Of course all the officers and others are naturally indisposed to extend the business, because it means increasing the labour of stock, audit, and other things?—Everything you get increases labour.

1346. (*Captain Boehmer.*) You say you are canteen accountant, and this is a regimental canteen. Have you personally kept the accounts of a tenant canteen?—No.

1347. From your knowledge of the accounts, which pays the regiment best; which do they get most for their funds from, the regimental system or the tenant system?—I could not say that.

1348. Can you not tell, as the accountant, exactly what profits are being made?—I could not say whether they get more by the tenant system.

1349. Because you have not had the chance of making the comparison?—No, I have had no chance of making a comparison between the two.

The witness withdrew.

Private SIDNEY MINCHIN called in and examined.

*Private
S. Minchin.*

1350. (*President.*) Where do you come from?—Leicester.

1351. Have you a good knowledge of the working of your canteen?—Yes, a fair knowledge.

1352. How are they managed; on the tenant system or the regimental system?—The regimental system.

1353. Do you think the regimental system is a good one?—I think it is fairly good, but I think there is room for improvement.

Private
S. Minchin.
3 April 1902.

1354. There is room for improvement in most things. How would you improve it if you had your way?—For one thing I should make the tap-rooms more comfortable.

1355. That is the drinking places?—Yes.

1356. What else would you do?—I would have a brighter light. Most canteens are very poorly lighted, for one thing, and have the old barrack-room tables and forms, very different from going to a place outside barracks.

1357. The ordinary public-house is much more comfortable?—Yes; the ordinary room the men generally go to; if a man goes in there he gets a glass. In the canteen they get hold of the old tin pots.

1358. Are they kept nice and clean?—They are cleaned every day. I will not say they are dirty always, but they are unpleasant.

1359. You have to drink out of the dirty pots?—I will not say dirty.

1360. If you come and ask for a glass of beer, do you drink the beer out of a clean tin; or has it been used by other people without having been cleaned?—It is cleaned, I think, every morning.

1361. So that if you come late in the afternoon several people have had a drink out of the same tin?—It might be swilled out. I only say a tin pot is unpleasant altogether.

1362. You do not like the material?—No.

1363. Is that the only suggestion you have to make?—I think various articles of necessaries might be sold in the canteen.

1364. In the dry canteen?—Yes.

1365. Do they not do that now?—In some canteens it is done, but not in all.

1366. What do you want in your canteen that you cannot obtain?—I mean the regimental necessaries—articles of kit, from cap badges up to, say, a regimental shirt, so that a man could go and buy it when he wanted it.

1367. What can you get at your canteen?—Nothing of that sort.

1368. Tell me what you can get; what do they sell?—In the dry canteen do you mean?

1369. Yes?—They sell almost every kind of dry goods that I can get at the ordinary shop. Perhaps more—vegetables, butter, bread, bacon, cheese, and all kinds of tinned things, biscuits of all sorts.

1370. Do you think you would be better served if you had the tenant system?—I have had no experience of the tenant system.

1371. But you think the regimental system is a good one, but that it might be improved?—Yes.

1372. If a little more attention was paid to the comfort of the men by making your premises brighter and more attractive and a greater variety of things offered to you at your dry canteen?—Yes; I think there is plenty of things sold, except the regimental necessaries. That is about the only thing.

1373. (*Mr. Harwood.*) Do you get any beer with your food at all. Can you have beer with your supper or dinner?—Yes, we are allowed to purchase one pint.

1374. Where do you have to carry it to?—Take it away to the barrack room.

1375. For dinner and supper?—Not for supper—for dinner.

1376. Can you get supper in your canteen?—No, not in the canteen.

1377. Where can you get it?—At the coffee bar.

1378. What can you get?—All that is sold; there are cakes and coffee—sometimes tea and cocoa.

1379. Supposing you wanted a sausage, or anything of that sort?—You cannot purchase it at all.

1380. (*Major-General Eaton.*) Nothing hot at all?—Except coffee, cocoa, and sometimes tea.

1381. Have your men any idea how the profits of your canteen are spent?—Yes, the accounts are posted up.

1382. Are they perfectly satisfied with how the profits are expended; do you ever hear any complaints amongst the men?—I hear grumbling in the barrack-room.

1383. What sort of grumbling?—Different things; they seem to think they should get more one way and another.

1384. You have a committee, I suppose?—Yes, the Canteen Committee.

1385. Do the men ever represent to the committee their wishes, what they would like, the way they would prefer their profits being spent?—I have never seen it done.

1386. Then the officers have no opportunities of knowing, unless they go round themselves and ask, how the men would like the profits spent?—That is so; it is arranged by the manager and the committee, and I do not think that the men have much say in it.

1387. But you could if you liked; it is entirely the men's fault that they do not?—Yes.

1388. As one of the old soldiers of the battalion, supposing you went with some other men and saw the President and the committee, and represented the way that you thought the profits might be spent for the benefit of the soldier, would not the committee take notice of your recommendation?—Ever since I have been in the army I have made it a rule never to make myself a spokesman.

1389. That is what it amounts to. The fact is you are rather afraid?—Yes, I am afraid.

1390. Do not mind speaking out here; we want to get at the bottom of things?—I might get satisfaction.

1391. But there are other people in the battalion who would be down upon you?—Yes, I might offend someone else, and that would come back to me.

1392. That is the reason?—That is the very thing that prevents men making complaints.

1393. But you have no reason to suppose that if you represented your wishes they would not be carried out?—No.

1394. (*President.*) How do you happen to be spokesman to-day. Who sent you here?—I was sent from the orderly room.

1395. You were not selected by the men?—No, the colonel sent for me the other day and read the War Office letter, and told me he selected me to go.

1396. (*Major-General Eaton.*) Are you the oldest soldier in the battalion now?—No.

1397. (*President.*) How many men are quartered in your barracks?—I do not know for certain.

1398. I want to know if it is an important canteen or a small one?—It is a small one.

The witness withdrew.

After an adjournment,

Major
H. R. J. Willis
7th Dragoon
Guards.

Major HARRY R. J. WILLIS, 7th Dragoon Guards, called in and examined.

1399. (*President.*) From what district have you come?—Shorncliffe, the South-Eastern District.

1400. You have some material, I see, from which to give the Committee some evidence?—I have just written a note or two down. I did not know what you really wanted.

1401. We should like to hear what you have written down?—Might one put forward some suggestion of what one would like?

1402. If you please?—I would suggest that, if it were possible, the War Office should supply the whole thing altogether for the regimental canteens, embodying a regimental system with that of co-operation.

1403. You are opposed to the tenant system?—As it stands I am.

1404. And are you opposed to the regimental system as it stands?—No, I am not; we run our institutes entirely on the regimental system.

1405. But you think it could be improved?—Yes.

1406. We should be glad to hear how?—I think the regimental officers might be relieved of a great deal of the work, and that serving soldiers should do their ordinary duties.

1407. Those are in your opinion two distinct objections to the present system?—Yes; that the officer may have too much to do if he does it thoroughly; and the system would release all the serving soldiers.

1408. We should be obliged to you if you would sketch out your idea of how the reformed system that you are advocating would work?—If we could have a headquarters system of any sort, from which the canteens could be supplied on requisition, in a similar manner to that by which Army Stores are now demanded, I think that would prevent waiters and institute stewards and those sort of people being bribed by any particular dealer that one might have. If the stuff were bought by an expert buyer or buyers and sent straight away to the regiment we should save the middleman's profits, it would come straight to every regiment and no one would have any advantage of pushing any particular article, and the soldier would obtain the advantage of the wholesale purchase; but, of course, you must have scrutiny of quality as well. In the case of a district or any large military centre, if an officer were appointed as an expert inspector of canteens, as a general rule he should be selected from officers on the retired list, taking those who had previously shown some knowledge of and interest in the management of canteens. I think it would be a very good thing if a small proportion of officers still on the active list could be at the head of it, as it would be rather a gigantic undertaking.

1409. As head of the organisation you mean?—Yes.

1410. Do you propose that the canteens under this system should buy exclusively from the central organisation?—I should supply them straight away from the central organisation or district store.

1411. You would not allow the local manager to go outside?—No. For instance, in a large place like Aldershot you would want two or three permanent officers to act as a sort of permanent staff to the different organisations of the canteens in the district, and the goods would come straight; the steward having no interest whatever, because he would get them from the head-quarters or district store.

1412. You want to limit his discretion. He is only to be empowered to go to a certain store. He must not trade outside?—No.

1413. Supposing he found that he could get the articles at a lower price outside?—I do not think he would.

1414. If he did, would you object to his going outside?—I should prefer his not going outside, because he might get an inferior article. In fact, I should not allow the steward to purchase anything. It should be done by the local or district expert.

1415. You think it might lead to abuse?—That is what I think it would do.

1416. Supposing he found that he could get from Lipton or Dickeson the same articles supplied by the organisation at a lower price, would he not be justified in going there?—I would not allow him. I think if your buyers bought for the head of this firm judiciously, if they were men who were really experts, there would be no need of going outside, because they would buy in the open market.

1417. That might be, but you would not decentralise to this extent, that you would give your local supervising committee of your permanent canteen power to go to any place they liked for the goods they required. In 99 cases out of 100 it might lead them to trade direct with the central organisation?—It would all depend upon who the persons were who purchased the goods. Whatever committee you have might alter the circumstances.

1418. Do not you propose to have a supervising committee?—Yes, at each district.

1419. What is the character of that committee in your plan?—I should like to see it carried on by a retired officer or officers, but the regimental committee must still have an interest as well.

1420. Of what character?—They should be allowed to reject goods; you might have most inferior things sent to you.

1421. Then the regimental committee must have the power to reject the goods sent from the central organisation?—Yes.

1422. And it seems almost a corollary to that, that they should have the power to buy?—Yes, there would be no harm in that so long as they were doing it.

1423. Who were the agents you objected to doing that?—I wanted to keep it entirely out of the hands of all stewards and waiters. As long as it is anyone above that I do not mind.

1424. But the essential part of your scheme is that you should preserve the regimental interest, allowing the committee of the regiment to supervise and reject?—Yes.

1425. And report, probably, up to the central organisation?—Yes.

1426. But they should have freedom to go outside if they thought the interest of their regiment would be better served by their so doing?—Yes.

1427. (Mr. Harwood.) Who would buy the perishable articles; do you propose to have them sent from the central organisation?—No, I think one could hardly do that; you would have to vest powers in your committee to get your perishable things. The men employed as stewards and waiters, in any capacity, I think ought to be selected entirely from those non-commissioned officers and men who have left the service with exemplary characters, and from those who have been compelled to leave through wounds or sickness entailed in the service, provided they are medically fit, in preference to others. By this system, I think none of the stewards or canteen waiters would have any inducement to select any goods of any particular firm, and the serving officer would be relieved from many of the duties; he would still have an interest to look after his men's welfare.

1428. Has any instance come before your knowledge of corrupt tampering with the manager of your canteen?—No; I have always made a very strong point in the management of the canteens, that unless I was perfectly satisfied myself that the goods were inferior, I never changed. There may be a tendency at times to disparage a man's goods.

1429. Has the agent of the firm given a little commission to the stewards on the sales of their goods?—I am not aware of it; it is never allowed, and I do not think they do.

1430. It is certainly not allowed?—I am not aware of it; I never heard of it.

1431. You know of no instances?—No instance. So far I have dealt chiefly with groceries and perishable things; but I consider it of very great importance that the regimental committee, with the sanction of the commanding officer, should have the option of selecting his own brewer.

1432. What is your practice now?—We do so now; I am only thinking that it is rather hard to legislate what beer a man is to drink. If he wishes a change of beer, there is no reason why he should not have it.

1433. I suppose you employ the usual practice; you have a committee of tasters on the part of the men, who select the beer, and you buy the beer?—Yes, if they wish a change it is done. Then there is another thing on the tenant system that is objectionable, I think, at present. Supposing the contractors supplying beer or milk, or that kind of thing, they get their discount for just passing it through their books, which really, if those articles were purchased by the central committee, would go direct to the men.

1434. I do not quite follow you?—Supposing a tenant has the canteen and he is a grocer, he supplies the beer—

1435. He has the dry canteen with the duty of supplying the beer?—Yes, he probably gets the beer from any brewer he likes, and getting a percentage, simply for its going through his books.

1436. I understood that the practice was for the Commanding Officer to select the beer?—Yes, but on the tenant system, at present, now, they select the brewer.

1437. The tenant does?—Yes, in some cases; I do not say always. If it were left to the Commanding Officer it would not matter, because he would take the beer he liked. In the Dublin district, for instance, the Commanding Officer has no power of selection.

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1438. (*Mr. Harwood.*) What is done now about mineral waters? In India, I believe, they make them?—In India they make a lot.

1439. Why do they not do it in England?—A great deal of it is perhaps for want of accommodation.

1440. You get it in India for a penny a bottle, excellent stuff?—Of course it would pay over and over again if one could make it; but one has no room for plant.

1441. At Aldershot they make their own?—They have tried it at Shorncliffe. They have a temperance place there, the "Unity"; but it did not pay, I fancy.

1442. (*President.*) To go back to the beer: when you lease your canteen to a tenant does, the tenant put in what beer he pleases, according to your experience?—I think he does. They may allow the Colonel in some cases to select, but I do not know that it is absolutely certain.

1443. According to the evidence before us the Colonel generally selects it?—Then probably I am wrong.

1444. But you have no experience yourself of the tenant system?—None; we are entirely the regimental system.

1445. And it works on the whole well, apart from what you think might be improved?—I have a few notes to show how our regimental system has been worked. We started a year and ten months ago at Shorncliffe.

1446. What system had you before?—None; we started entirely for the first time when we formed the provisional regiment, and have given away to the men in a year and ten months 1,280*l.* in comforts of one sort and another.

1447. What is your turnover?—Our monthly profits for the past six months on our wet canteen have been 83*l.* 4*s.*, and on the dry 86*l.* 8*s.* 8*d.*

1448. About the same?—Yes, very little more; they have rather decreased in the wet and increased in the dry. In addition to having given that 1,280*l.*, at the present moment we are about 1,487*l.* in credit, of which 239*l.* is stock. Our working expenses are kept down very small; our wet canteen expenses cost us 12*l.* 10*s.* a month and our dry 17*l.* 10*s.*

1449. And under the system that you are advocating you could not keep down your expenses to that narrow limit, could you?—Not quite so low, perhaps.

1450. You would have to pay higher wages?—Very little. We have half reserve men at present and half-time serving soldiers; but I do not think that would make a material difference in the wages; because if we have reserve men, or men who have left the service, we should not pay for their washing, which we pay for the soldiers now. It would not make a great increase.

1451. How do you apply your profits?—We give them in different things to the men; we give them free entertainments and buy them all sorts of things, gloves, and anything that is wanted for all their games—we subscribe to their games. A lot of our profits we give towards benefiting their messing, each squadron gets three guineas a month

LIST OF SOME APPLICATIONS OF OUR PROFITS:—

- Refreshments to troops on (long) field days.
- Coffee at night for guards.
- Extra dinners (daily) to men on main guard.
- Grants to hospitals.
- Furnishing and up-keep of institutes.
- Free entertainments to troops, concerts, theatricals, &c.
- Rebate to all purchases—sergeants' mess 5 per cent., married people 10 per cent.
- Suppers or breakfasts to all drafts proceeding to South Africa.
- Tobacco for each man going to South Africa.
- Early morning coffee to troops.
- Contributions to S.E. District Rifle Association.
- Squadron monthly messing grants.
- Football and cricket grants.
- Regimental sports.
- Christmas grant to women and children.
- Christmas grant to sergeants' mess.
- Christmas grant for providing every man in the regiment with his Christmas dinner (without any charge coming on anyone else).
- Grants to our linked regiments (5th and 7th Dragoon Guards, and Royal Dragoons) in South Africa.

Gifts to school library, bathing fund, garrison cricket club, &c., &c.

1452. What accommodation have you got at the canteen for the recreation of the men and their comfort?—We have a theatre and stage; we give them free entertainments three or four times a month; we hire the local talent from the town, and that sort of thing.

1453. We had one witness yesterday who told us that they have nightly performances?—I do not think we could afford to do it as often as that.

1454. What is the strength of men that you have to provide for?—Our present strength of men messing yesterday was 930.

1455. (*Mr. Harwood.*) You said that in a year and ten months you had given to the men, in one form or another, 1,280*l.*?—Yes.

1456. Can you tell us what your total profit was during that time; how much does that represent of the profit that was made?—In addition to that we have 1,487*l.* in credit.

1457. Those two amounts would represent pretty well what your profits were?—Yes.

1458. (*President.*) It has not been represented to you by your men that they would like enlarged buildings?—Yes, it has; we lack accommodation tremendously.

1459. Can you see your way to providing enlarged buildings?—We have already applied and got permission. We have applied for a portable billiard-room to be put up, for three billiard tables, and it has been approved; but in addition to that we wanted a small garden as a bowling green for the men; unfortunately they have rejected our proposition for that.

1460. Why?—I do not know why. We were prepared to spend 400*l.* out of the funds to erect this portable billiard-room.

1461. Do you regard these profits that you have spoken to, the 1,282*l.* divided and reserve fund, 1,482*l.*, as representing what you may expect to maintain annually?—I should think we should increase.

1462. Then you have a valuable security on which you could borrow money?—Yes.

1463. Have you ever suggested that you should borrow money on the security of the profits made in the canteen?—No, I do not think we are allowed to make money on it; we are not even allowed to place it on deposit.

1464. But the evidence before us, from officer after officer and man after man, is that the great want of the soldier is better accommodation?—Yes, it is; we could do with the place three times as large as it is now. We have no room to do anything we should like. We have one billiard table put in one of the reading-rooms, and I have seen as many as 50 men standing up at half-past eight for want of sitting accommodation.

1465. Your profit that you have available for dividend purposes amounts to a great deal more than 2,000*l.*, and you think it will increase?—We have averaged our profits at 400*l.* a quarter roughly.

1466. Say 1,600*l.* a year?—Yes.

1467. (*Captain Boehmer.*) This 400*l.* a quarter is practically business made out of new capital, is it not? Nobody found any capital to start the business with?—No.

1468. It has grown out of nothing?—Yes, it has grown out of nothing; we started with nothing.

1469. (*Mr. Harwood.*) Do you give your men supper at night?—Yes, we give them supper for 4½*d.*

1470. What does it consist of?—Meat, potatoes, and a pint of beer. They are limited to one pint.

1471. Where do they have it?—In the institute, in the supper-room, which we have made like an ordinary restaurant.

1472. How is the beer served?—It is taken into the room to them.

1473. It is handy, is it?—It is from the bar. We have one lot of beer under lock and key, which is only opened when the supper is commenced, by the steward.

1474. Do you find it appreciated?—Very much indeed. I should like to see it more extended.

1475. How many men, roughly, out of 900, will take supper there?—It varies according to pay day, and that sort of thing, and the amount of money they

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have. I have been in there lots of times and found men waiting to go in. It is a very small room; I do not suppose we can seat more than about 60 at a time.

1476. And you give them meat and potatoes and you find them beer?—Yes, every night, with a change in the meals as often as we can.

1477. (President.) If you had a permanent canteen, buying from your central agency, how would you compose your committee of supervision which is going to see that the articles supplied by the canteen are good and the man is doing his duty?—I would have an officer specially, a retired officer, to supervise the whole thing, if it were possible.

1478. Would you see any objection to non-commissioned officers and privates being represented on that committee?—Not the least; I think it would be rather a good thing.

1479. You see no objection from the point of view of discipline?—Not at all. I might mention that I have a system—I do not know whether anyone else does it—rather a novel way of getting complaints from the men. Men as a rule will not complain to an officer, and I have put a complaint box into the institute which has a lock and key, and I keep the key myself, with a notice that I do not want frivolous complaints, but that any man with a real complaint may write it and put his name and number into the box; and he does. We have a few complaints, and as a general rule they are pretty right.

1480. You do not get any frivolous complaints?—I have never had one yet.

1481. And that has put new ideas into your head?—Yes; I always adjust the thing if possible, and write direct to the men. It has given me many useful hints.

1482. That must have given the men satisfaction?—Apparently it has.

1483. Do the men believe, in your station, that a part of the profits made out of that canteen go to reward the officers?—I do not know about that. We put up a statement in all the canteens in each month in every room. The statement is put up where every man can read it, showing every penny that is spent; it is a copy of the abstract of our regimental work.

1484. Every private in your regiment knows exactly what is done with the money?—Yes, it is there in each room; we put up an exact copy from our abstract showing how every penny is spent and showing our total profit, the money in the bank, just the same as the big abstract.

1485. (Colonel Lambert.) Under the scheme which you have foreshadowed, how would you propose to distribute the profits—through what agency?—Of course at present we have only been distributing a part of the profits.

1486. But under the scheme which you have foreshadowed, your own scheme, how would you suggest that the profits should be distributed?—In any way that would conduce to the comfort of the men.

1487. Perhaps I had better put it, through what agency. Would you distribute them as at present, through the Commanding Officer?—Yes, I think I should leave it in his hands.

1488. And under this scheme, which you have foreshadowed, the purchasing being the most important matter, would you purchase through civilian experts, or how would you purchase?—Through civilian experts.

1489. You mentioned that the people employed in your regimental institutes were half pensioners and half serving soldiers?—Yes.

1490. Could you say at all what number of men who appear on the squadron pay lists were also employed in the canteen or regimental institute; because if you work on the regimental system there is your wages bill every month?—We employ four, I think.

1491. Four only?—Yes.

1492. You are president of the Canteen Committee, I assume?—Yes.

1493. Have you had any difficulty with the shortage of officers in keeping your Canteen Committee complete?—None whatever. Perhaps some have been junior officers.

1494. They have generally consisted of yourself—and whom?—Some other officers.

1495. Of what seniority or standing?—A Captain and one or two subalterns, the more senior the better.

1496. But with the shortage of officers, have you found any difficulty in carrying on the enormous duties in a provisional dragoon regiment, with these canteen people?—I have not found it so. They have never complained.

1497. As regards the sergeants' mess in the 4th Provisional Dragoons, as you are there on the regimental system, all its supplies are obtained I assume through the regimental institute?—Are you speaking of my regiment? We are 3rd Provisional Regiment of Dragoons.

1498. Yes?—Yes, entirely. The liquor and all that is got through the regimental institute, and a great part of the groceries; but if they prefer any particular thing, we allow them to get it outside.

1499. You say "we allow them to get it outside"; who are them?—The non-commissioned officers' mess.

1500. Which individual of them?—The Adjutant is really in charge of the mess.

1501. Do I correctly understand that the Adjutant orders those things?—No.

1502. Who does?—The president of the mess, whoever he may be.

1503. He orders the things himself?—Yes.

1504. For the benefit of the mess?—Yes.

1505. And only certain things are got through the regimental institute?—In our regiment nearly everything is purchased through the institute.

1506. The caterer, who is in there month by month, has a fixed proportion of gain that he gains each month—at least the mess gains—and there is the unearned, or perhaps we might call it, unascertained, profit at the end of the month. Could you remember at all what the unascertained profit month by month is, what figures it varies between?—I should not like to say without referring.

1507. There is some?—I should imagine there must be some, taking the unaccountable profits.

1508. Is the locked-till system in vogue in your sergeants' mess?—No, not in the sergeants' mess. There is one thing I might add about the institutes, that with the permission of General Hallam-Parr, in the dry canteen we have tried it as a test, we have started a ticket system, not on the token system, very much as you book your seat by train; the man buys his ticket, he hands it over at the counter, and it is defaced by being filed. And I think I might say that since we have started that system, it has proved rather a source of benefit to us. I am not a believer in the locked till; I am afraid it is open to very grave abuses.

1509. It would be very interesting if you would tell us any disadvantages that you think the locked till has?—It is not that the money is taken out, but it does not go in.

1510. Then if the money does not go in, there must be a number of people concerned in that particular fraud?—I do not think a number; I think only one man, the waiter who takes the money.

1511. And the person who pays it in must pay short?—I do not think so, necessarily. A man goes in a hurry and spends his 3d. there, throws it down, takes his goods and runs off; there is no one in the place at the time, it is a great temptation, and the money does not go into the till. When we had the locked-till system we always had notices up that the men went to see their money put into the till. But if in a hurry he does not do it, and it is no use telling him to do it.

1512. But if there is a shortage of money put in the locked till, not only must the man or waiter in charge of the locked till be dishonest, but also every person who happens in the course of his purchases to be putting into that locked till (a very large proportion of them) must be dishonest too, that is, they wish to obtain things without paying for them. That is why I used the expression, a number?—I do not think so; a man may innocently put his money down, he does not put it into the till; he is supposed to put it into the till, but he does not do it.

1513. I think the orders are that they are to do it?—Yes, the orders are that they are to do it, and we have them printed; but it is very hard to make the men do it.

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1514. You have known in the course of your service many, shall I call them, misfortunes happen to caterers in the sergeants' messes through loss of money; did you ever think of any system of carrying on the sergeants' mess which would prevent the temptation, or the exposing of inexperienced non-commissioned officers to the chance of loss or to the temptation of dishonesty. Have you ever thought of any system of carrying on the sergeants' mess better than the existing one?—I have never thought of it as a matter of the caterer; but I think myself it would be very much better if there was no money passed at all in the sergeants' mess.

1515. How would you obviate that?—Pay it through the accounts.

1516. With your large experience, do not you think that would be perhaps a most unpopular move amongst the members of the mess itself?—I think very likely it would be unpopular; but I should not mind that in the least. But I think, myself, if you want to do that it would be much better that there should be no money pass in the sergeants' mess. Not only that, but I would show everything, the consumption of everything, and where the money went.

1517. And you see no reason why it should not be conducted, so far as the accounts go, the same way as your and my mess is?—Exactly, and no man could get into debt through his account, because his own pay people would prevent it. We have the same system with the married people in the institute, because I have reason to believe—I have heard that they go and get things from the institute, and there is collusion in that way with the waiters; so to prevent that we have no money pass—the woman goes once a week and she has a season ticket, we give her 10 per cent. rebate on all she buys in the course of the month, and we give the sergeants' mess 5 per cent.

1518. But so far as taking the temptation away from a dishonest sergeant, or a chance of loss from an inexperienced one, you have never thought of any plan beyond the one of having no money pass?—No.

1519. (Major-General Eaton.) Do not you think it is a good thing to have competition in the supply of stores to the canteen?—It is a very good thing, but I think if you have an expert or experts who bought the stuff, that would be sufficient. Competition is good; I am a great believer in competition.

1520. Do you think that one organisation to supply the whole of the canteens for the United Kingdom would promote competition?—Gigantic things are liable to failure and rather apt to become monopolies.

1521. Does it not rather take the power out of the Commanding Officer's hands?—Not in my view. I think he, or his committee, would see they had good stuff.

1522. Then, supposing he complained, the answer he probably would receive would be that the things had

been bought by an expert and therefore they were good enough; he could not object?—I think there might be some arrangement.

1523. There is liability to that at any rate?—Yes.

1524. And then there would be no redress; the men would be obliged to eat what was supplied and they could not possibly change?—Well, no; there is that of course about it.

1525. Then did I rightly understand you to say that your sergeants' mess at present were not buying much from the institute?—Yes, they are, there is very little they do not buy. For instance, the other day they got some cheese, or some little thing like that; they deal entirely through us because they have an advantage, we give them 5 per cent. back, if they complain we are only too ready to adjust it. There are a few little things if they like to get outside we feel there is no reason they should not; but as a standing thing they deal almost entirely through us. The sergeants' mess deal rather largely with us.

1526. By regulation they should not leave you?—By regulation they should deal with us.

1527. (President.) Then you would apply the same principle to the canteen?—Yes. If the organisation was too big, there is no reason it should not be put into districts and let them buy there.

1528. Into district organisations?—Yes.

1529. (Mr. Harwood.) Supposing that you deal with one of these large organisations and the goods are sent to the canteen, how would you suggest distributing them?—You are only speaking now of a district organisation?

1530. Supposing you had a central organisation, and it distributed to you your goods from some central place, when you got them how would you distribute them—how would you manage your retail business?—I should send them to the canteen through the district organisation.

1531. And how would the canteen distribute them. If it is done on the tenant system the man finds the people who serve in the shop. How would you propose to do that?—We should have servants just the same; they would all be reserve men.

1532. You would have them under the control of your committee?—Yes, and in the district organisation you would have the same thing there; you would draw your things on requisition, almost as you demand stores now from your district head centre.

1533. (Colonel Lambert.) There is a point arising out of Mr. Harwood's question that I should like to ask you about. The responsibility for the correct distribution of these stores, would in that case, not be on the man who supplied them by contract, but on the Commanding Officer, as under the present regimental system?—Yes.

The witness withdrew.

Major F. H. EADON, 21st Lancers, called in and examined.

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21st Lancers.

1534. (President.) What quarter do you come from?—Canterbury. I am second in command of the Cavalry Depot.

1535. Have you had any experience of the working of your local canteens?—I have had a certain amount of experience of the regimental system and the tenant system.

1536. You have had experience of both systems?—Yes.

1537. Which do you favour?—Well, I prefer the tenant system, taking it all round.

1538. Why; what advantages has it over the other system?—It gives less trouble to officers, non-commissioned officers and men, and I think, so far as I know, that the bonus returned by the tenant is equal to what would be realised regimentally, and the men get as good advantages, and we have not the trouble of keeping the accounts and finding the staff of waiters and money changers, and the different people that are employed.

1539. It takes a branch of administration out of your hands, and saves troubles?—Yes.

1540. That is the chief reason why you prefer it?—Yes, I think so; and I do not think there is anything

very much against it, I confess. I think the results are as good.

1541. Under the tenant system that you have had experience of, who have been the tenants?—Dickeson was the tenant in Dublin, and also at the Newbridge.

1542. Did he have the beer, too, the wet canteen?—Yes.

1543. Did he select the beer?—I think we had a voice in the selection.

1544. You are not quite sure?—No, I would not be quite sure; I think we had a voice in that matter. He objected to take the dry store without the wet canteen, on account of the profits; of course the profits largely accrue from the liquor.

1545. (Mr. Harwood.) Do you think that when you have the tenant system, like that, there is any more disposition to favour the sale of that by which they get the largest profits, namely, drink? Have you noticed any disposition to favour the sale of drink, rather to push, I may say, the sale of drink; you said it was much the largest profit; I believe many times more than you get on the dry goods?—Yes, it is.

1546. In ordinary human nature that would induce people to push that by which they get the largest

profit. Have you noticed that at all; that the tenant would be more inclined to push the thing by which he made the largest profit?—I do not know that I can say that I have noticed that there has been any undue favouring of one more than the other.

1547. I will put it in this way: does the tenant have anything to do with the coffee; have you had any experience where you have had a coffee stall or coffee department; has that been under the tenant, too?—Yes.

1548. There are cases where you have supplies of coffee and those things, buns and things, and sandwiches. Put it to yourself; supposing that was all under the tenant, too, that he supplied everything eatable and drinkable, would it not be natural, if he got 50 per cent. on beer and 5 per cent. on coffee, that he would put every effort on the side of selling more beer?—I suppose he would; but on the other hand, I believe there is a good profit on coffee, and what they call the early morning meal given to the soldier, that is, simply a cup of coffee and biscuits; I believe there is a very large profit on that.

1549. Is it customary to have the coffee department generally under the tenant, or who is it under?—At the present moment the dry and wet canteen at Canterbury is under the regimental system, and we have there in addition an institute which is rather different from any of the other institutes in this respect, that it is the gift of some anonymous donor, and is a very fine institute indeed. We pay the institute for supplying the early morning coffee and biscuits and hot suppers to the men, and they make a large profit out of it, which keeps the institute going.

1550. They make an enormous profit out of it?—I believe so, and the men get the use of the institute for nothing.

1551. That is an exceptional circumstance rather?—Yes.

1552. With regard to the drinking canteen, another complaint that is made to us, that where it is let out to a tenant they are apt not to be as civil and considerate to the men as on the regimental system; it is rough-and-tumble, and they want to make money. Do you find that that is so?—No, I do not think so; I have never heard of that.

1553. Several witnesses have stated so to us?—I have seen the canteen conducted under Dickeson both at the Curragh and in Dublin, and I think there was nothing of that sort at all.

1554. And where Dickeson takes the wet canteen, are there clean glasses, and is the place kept clean and such as decent men would care to go into?—Certainly.

1555. The Committee have spent a good deal of time upon the beer which is necessary, but I think we ought to give some consideration to the conditions under which it is served. One would rather have a little worse beer under better conditions than good beer thrown at you like swill. Complaints have been made to the Committee by privates and others of the way the canteens were managed—that they were not managed, one witness said, as well as a public-house in the town would be?—I do not think so; and as canteen president, invariably, if I have ever seen anything of what you say, I have always seen it put right at once.

1556. They had tins, for example, one witness said?—Everything is clean and good and comfortable in the building.

1557. (President.) What arrangement do you make for the comfort of your men in the canteen?—In the wet canteen, do you mean?

1558. In the dry and wet, too?—In the wet they go in to drink their beer at stated times.

1559. It is a standing bar?—Yes; there is also a room adjoining where they can sit down at the table.

1560. Is there sufficient accommodation to provide for the requirements of the men who use the canteen?—Yes, ample room.

1561. You do not think if you had money you could erect better buildings?—Not so far as size goes, I do not think so.

1562. You have got the buildings you require?—Yes.

1563. (Mr. Harwood.) I may say that I know the institute at Canterbury, and it is quite an exceptional institute altogether. Where you have not an institute

as you have at Canterbury, would you advise, for instance, that with their suppers the men should be allowed so much beer, or with their dinner they must be allowed so much beer. Do you allow them beer with their dinner?—No, not with dinner; the men go to the canteen and drink their beer before dinner, and they then go and eat their dinner afterwards.

1564. How should we like that?—It is quite unnatural I think, but it has always been done.

1565. Do they have supper except in the institute; can they get supper in the canteen?—Not in the wet canteen, only in the institute.

1566. Then they could not bring beer from the wet to the dry, could they?—I believe they can in some institutes, it is not usual in Canterbury. The last one I was in was Belfast, and there they had a very meagre sort of building for the wet canteen; men used to go over there and drink their beer, and then they would come back and eat their supper in a better building, which was much more comfortable than the wet canteen.

1567. Allowing for the natural disposition to grumble, I think the Committee will have felt that there is a very strong feeling amongst the men who have come before us that their comforts are not sufficiently provided for. Do you think it is so, or could you suggest anything further?—I think at Canterbury certainly they have every comfort they could possibly wish for. That is an exceptional institute, I believe.

1568. But in other places where you have been?—In Belfast, I thought it was very good barring the size of the wet canteen. I thought everything was very good and very comfortable.

1569. Do you have the ticket system for getting drink in your canteen?—No.

1570. They do not have to wait?—No, it is all ready money and the locked-till system.

1571. We have heard of their waiting 30 or 35 minutes, first before getting their ticket and then getting their beer?—No. They might on a crowded day have to wait some short time at the money change, changing the money, but as a rule there is very little of that, I think.

1572. (Captain Boehmer.) Is it your opinion that facilities should be made so that men should in any way have an opportunity of getting a glass or pint of beer with any meal that they can purchase?—I think it would be a very excellent thing if the man could have his drink with his dinner, and also with his supper.

1573. Do you think it would be an evil to have beer with his meal, provided he is not a teetotaler, and likes his beer; that it would be a preventative to drunkenness?—I cannot say. I think the majority of men would prefer to drink their beer with their dinner if they could, if facilities were given them for doing so.

1574. (President.) You stated more than once in your evidence that they drink their beer first, and eat afterwards. Is not that putting the cart before the horse; do not men take their liquor after their food rather than before it?—They go to the canteen directly after they have done their work, say, 1 o'clock, when they are dismissed from whatever their work is, they immediately go to the canteen, then they come back to their dinner.

1575. Do they go back to the canteen after their dinner again?—Yes, I expect a good many of them do.

1576. So that the dinner is sandwiched in between two visits to the canteen?—Yes.

1577. (Colonel Lambert.) You are in favour of the tenant system as against the regimental system?—Yes, on the whole.

1578. Is it generally admitted that under the regimental system the sale of drink by the regimental salesman, unless closely supervised, is very undesirable. You would say so yourself—the sale of liquor by the canteen steward?—I think so, certainly, unless supervised.

1579. Do you think from your experience that the squadron officers in a cavalry regiment can give sufficient time to their committee work?—No, I do not think they can, or ought to.

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1580. Have you ever had personal charge of the sergeant's mess in the 21st Lancers?—No.

1581. Have you at Canterbury?—I can say that I have been there a month, and I have taken over the sergeants' mess there.

1582. Did you ever think out any system of preventing the risk to the caterer, either from ignorance or dishonesty, of handling money other than on the

locked-till system; has anything ever struck you, because you will admit there is a risk to the caterer?—Yes.

1583. And he does lose money at times?—No, I have not thought of anything more advantageous than the locked tills.

1584. Have you the locked-till system in the cavalry dépôt at Canterbury in the sergeants' mess?—Not in the sergeants' mess.

The witness withdrew.

Corporal
P. Walker.

Corporal PERCY WALKER called in and examined.

1585. (President.) Where are you quartered?—At Canterbury.

1586. Have you personal experience of the working of your canteen?—I have had a little experience.

1587. In what capacity?—I have been in the coffee shop in India, which is practically similar to the institute in the barracks.

1588. As manager?—Yes, assistant manager.

1589. And have you had experience both of the regimental system and the tenant system?—Only the regimental system.

1590. You know nothing about the tenant system?—I have seen it, but had nothing to do with the management of it.

1591. You have discussed it with the men in your regiment?—Certainly.

1592. Which is the balance of opinion in favour of?—So far as Canterbury is concerned, we are very well equipped as regards the institute; we have a good institute at Canterbury.

1593. You have an unusually good institute?—Yes, where other barracks and dépôts have not; it is a splendid institution; it has a great deal to do with it.

1594. Just for the sake of getting it on the evidence, is the institute at Canterbury superior to the institutes in other garrison towns?—I should think so; it is splendidly equipped in every sense of the word. There is every game you could wish for, and every accommodation for friends coming to see you; they can be put up there.

1595. And you do not require additional buildings to meet the requirements of your men?—I should not think so; not at present.

1596. If you had the disposal of a large sum of money you would not spend it on more buildings?—No, there is no need.

1597. How can you improve the management of the canteens at Canterbury?—The canteens are carried on very nicely, of course, but some people have an objection to the corporals' room being connected with the canteen; they think it should be separate.

1598. In what way is it connected?—Going in, there are two doors, one for the canteen, turn to the right and you are in the corporals' room.

1599. That is to say, the wet canteen is too close to the corporals' room?—Yes, they are connected at Canterbury.

1600. You think it would be better away from the canteen altogether?—Yes.

1601. The proximity of the one to the other offers too great a temptation to drink?—That is what it is; that is the opinion of the non-commissioned officers and men.

1602. The men cannot keep away from it?—That is so. Of course great improvements could be made.

1603. Let us have your ideas as to what improvements could be made in any way?—For instance, going down to the institute for supper in the evening, I think the men ought to be allowed to have a pint of beer.

1604. Do they not have beer?—Not in the institute; it is not allowed; it is only coffee and minerals. They must go to the canteen and drink their beer, and then adjourn down to the institute for their supper.

1605. Would you propose that he should be allowed to take his beer to his meals?—No; that the man

should go down to the institute and get his supper, and buy one pint of beer for his supper only.

1606. And drink it with his supper?—Yes.

1607. What difficulty is there about it?—There is no difficulty.

1608. Have you represented that to the committee?—Yes.

1609. Do they say it cannot be done?—They would not like to do that.

1610. Why has it not been done?—Because it has not been brought forward. It is done in India.

1611. Why do not you do that?—I think it should be some higher authority than me to say that.

1612. (Mr. Harwood.) I think it is true, is it not, that the institute at Canterbury was largely provided by funds from people who would object to the selling of beer there; they wished it to be a coffee tavern?—That is quite right.

1613. (President.) But you would like to see the serving of the beer with the meals, if possible?—Yes, not served separately; not for the men to go there and say—we will not go to the canteen; we will go to the institute, and sit and drink beer there. They should have nothing more than one pint. That is the way they carried on in India in the coffee shops, which were practically canteens.

1614. (Colonel Lambert.) You said you were in India. You were at Sialkote?—Yes.

1615. What supper beer had you there; what control was there over the amount of beer that a man took with his supper?—None whatever.

1616. He could have as much as he liked?—Yes, and that was the great drawback.

1617. You have known cases then of men who have been a nuisance to their comrades in the supper room, through getting boozed in the supper room?—Yes, I have, hundreds. Of course one pint of beer is quite sufficient for any man for supper.

1618. (Major-General Eaton.) You said just now that there was a cause of complaint about having the corporals' room too near the privates' canteen. From whom did the complaint come, the corporals or the privates?—The corporals. The privates would not make complaints; they would benefit from agitating the other way.

1619. But it is unusual; it is only in one particular canteen?—Yes, it is unusual. It is all one building.

1620. As a rule they are separate?—Yes, generally. I am just speaking, of course, about our own dépôt.

1621. Have you any idea how you would like the profits that are made in the canteen spent?—I think they are spent very well; on the sports and different things, especially for recruits, such as shooting.

1622. Not only at Canterbury, but with regard to your own regiment?—Ours are spent very well. We have shooting clubs kept up out of the canteen fund.

1623. Have you ever heard any complaints from the men of the way in which the profits are spent?—Of course some are never satisfied, you know.

1624. There are sure to be some grumblers; but do you think the majority of men are satisfied with the way in which the profits are spent?—Yes, the majority are satisfied.

1625. Do they know how the profits are spent?—Yes, it is published.

1626. (Mr. Harwood.) Do you find in your canteen at Canterbury that you can buy a cheaply as you can in

the town, in the dry canteen?—I do with the present system, the regimental system.

1627. Do you have a large choice of things?—Yes; we are very well stocked down there.

1628. Have you any things belonging to a man's kit—shirts, and such things, sold in the canteen?—No, nothing of that kind.

1629. Someone suggested that they ought to be able to be bought there. Is that your view?—They would be selling their kit every day and buying it the next morning, some of them.

1630. Turning it into a pawnshop, you mean?—Yes.

1631. I was not meaning selling second-hand clothes?—No, they would sell it to someone else to get beer with, and replace it on the pay day.

The witness withdrew.

Private FRED COOPER called in and examined.

1637. (*President.*) Where have you come from?—Canterbury.

1638. What canteens in Canterbury have you personal experience of?—Both; both the infantry and cavalry.

1639. Are they both conducted on the same principle?—No; Dickeson have got the "Buffs."

1640. And the infantry one is on the regimental system?—No; the cavalry is on the regimental system; the infantry is on Dickeson's.

1641. Which, in your opinion, works in the best way for the soldier?—The cavalry—the regimental system.

1642. Why do you say so?—In plenty of ways. Since Dickeson has had the infantry canteen the things are vastly dearer. For instance, you could get a loaf of bread at the infantry canteen for 2d. when the infantry had it themselves; now if you go for it cut they make it go to 4d., and they charge you 3d. if you get the loaf as it is.

1643. And you can buy the same amount of bread for a smaller sum at the regimental canteen?—Yes.

1644. Just give me the comparison as to the prices again?—When the infantry had it themselves we could get a loaf of bread for 2d. If we go and get a loaf now we have to pay 3d. for it.

1645. So the price has gone up 50 per cent. on bread?—And if we get a pennyworth separate they make it 4d. to the loaf.

1646. That is a great objection. Have you any other objection to the tenant system?—Then we could get bacon at about 7d. and 6d. a lb.; now we have to pay 9d. for it if we get any good bacon. We can get a lower class bacon.

1647. With bacon of the same quality you pay that higher price?—Yes, that is what Dickeson calls the "choice cut."

1648. Have you any other objections to the tenant system?—No, I do not think there are any other objections really. Certainly they have not had very long experience; this is only the second month.

1649. That is only a short time in which to judge?—Yes.

1650. But is the general impression throughout the men with whom you associate in favour of the regimental system?—Without a doubt.

1651. Are you quite clear upon that point?—Yes.

1652. That if we were to take the vote of the soldiers at Canterbury they would vote for the regimental system?—Certainly.

1653. By a large majority?—Yes. I know at the present time they go straight away from right over that end of the barracks to the other end to the regimental canteen.

1654. They go past one?—No, they go away from their own at one end of the barracks; the cavalry is right at the other.

1655. And although they are near their own —?—Next door to it.

1656. They leave it and go to the regimental canteen?—Yes, all the men employed on the establishment.

1657. Do you know what the takings of the two canteens are?—The cavalry would be much larger than the infantry, because the infantry is only a small

1632. And you are quite satisfied with your dry canteen?—Yes, quite.

1633. And with the wet canteen you are satisfied with the way that the liquor is supplied to you?—There could be better beer.

1634. Is it the beer or the serving you are meaning. Is it served well to begin with?—Yes, it is served all right.

1635. With clean glasses and clean tables?—Yes, always clean. Our canteen is very clean. I think the beer could be improved upon—a better class of beer.

1636. Then, I suppose, they have a voice in it, have they not?—Yes.

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body of about 200 or 300 men. The regimental system is the cavalry.

1658. And the regimental canteen's takings are much larger?—Yes.

1659. Then it is hardly fair to compare with the tenant one, because the man at the tenant one has so much smaller a number?—Yes.

1660. (*Mr. Harwood.*) Can infantry men go to the cavalry canteen?—To the dry part, not to the liquor part; we are not allowed to go into their canteen to drink.

1661. (*President.*) They go all the way to the regimental canteen for their bread and bacon although they are close to the tenant canteen?—Yes.

1662. (*Captain Boehmer.*) Who supplies the cavalry, do you know?—It is got from Dover, I think the best part of it, and also Dickeson serves some of it.

1663. Then practically Dickeson supplies the two canteens, only one on the regimental system and one on the tenant system?—Not for the whole of the articles.

1664. But as a matter of fact, as far as you know in making your purchases, the regimental canteen can actually sell the same article cheaper than the tenant canteen, yet the same people are supplying both canteens?—I would not say that.

1665. You do not know that?—No.

1666. (*President.*) You have been a long time in the army?—17 years.

1667. Is there less drinking now, or more drinking, than when you joined?—I should think slightly more. But I have little experience in England; mine is all foreign service.

1668. But your impression is that the soldier drinks more than he used to do?—Slightly more.

1669. (*Major-General Eaton.*) Are the men of your regiment satisfied with the way that the canteen profits are spent?—Perfectly.

1670. They always know how the profits are spent?—Yes, they do, every month. They receive benefits at Christmas and other times, and in the sports.

1671. And they represent their wishes to the committee, do they not?—Yes.

1672. Do they as a rule do that?—Yes, it is generally something spoken about. They also get a rebate every month, which goes into the messing book.

1673. What is the rebate per man?—I could not say what it is a man.

1674. Do they get a rebate on the regimental system as well as on the tenant system?—I cannot say that. It runs to about 5l. or 6l. for each depot per month.

1675. Which is divided amongst the messing?—It is put into the messing books as a credit.

1676. You have no other suggestions to make then as to improvement of the canteens?—I think they might allow them to have a pint of beer for their supper—let the man get a pint of beer when he has his supper at night.

1677. Is not that allowed?—No; where you get your supper is right away from the canteen, and there is no beer sold there, only tea and coffee.

1678. And you cannot get it at dinner either?—No.

Private F. Cooper

Private
F. Cooper.
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1679. But you would not advocate a man being allowed to have more than one pint?—No.

1680. Just enough to wash down his dinner or supper?—Yes; we always had it allowed in India. We kept a barrel of supper beer, and each man could have one pint of beer for his supper.

1681. Not more than one pint?—No.

1682. (*Mr. Harwood.*) What is the last time you get food, if you do not buy supper?—6 o'clock.

1683. What is that?—The evening meal.

1684. What does it consist of?—Tea and bread, meat two or three times a week, and sometimes fish.

1685. (*Major-General Eaton.*) But that comes out of the messing?—Yes.

1686. All you get free is bread?—Yes.

1687. (*Mr. Harwood.*) In regard to your preference for the regimental system, do you find it is pleasanter to go to the canteen under one system than under the other. Are you more pleasantly served or more considered, or is there more politeness?—No, I think they are quite polite and everything like that.

1688. There is no difference in that respect?—No.

1689. It is only a matter of prices?—Yes, that is all.

1690. (*Colonel Lambert.*) You were at Meerut with the 5th Lancers?—Yes.

1691. In the supper room there, when they have a pint of beer with their supper, how did they arrange that no man should get more than one pint of beer?—By the checks.

1692. It was all done on the check system?—Yes. the men have a check.

1693. The man who took the checks was not a native?—He was a man of our own.

1694. Probably a corporal in your own regiment?—Yes.

1695. He was called the check-taker?—Yes.

1696. (*President.*) Then you have nothing to say about improving the canteens so as to meet the comfort of your men?—No, I think they are very comfortable indeed in Canterbury.

1697. But Canterbury is a superior place to others?—We have a very good institute there.

1698. Better than others?—It is really the best I have seen. You can always get dinner there in case you have friends coming down.

1699. And the advantages are greatly appreciated by the men?—Yes.

1700. They prefer to be quartered at Canterbury to other quarters for that reason?—They like the place very much so far as amusements are concerned, and in every way.

1701. (*Major-General Eaton.*) Is this institute at Canterbury actually in the barracks?—Yes, it is just at the bottom end; it is not individually for the cavalry alone; they call it the "Soldiers' Institute."

1702. But it is actually in the barracks?—Yes.

1702a. It is not like one of these places outside?—No it is carried on by our own men behind the bar there.

The witness withdrew.

Adjourned to to-morrow at 11 o'clock.

THIRD DAY.

At the War Office, Pall Mall.

Friday, 4th April 1902.

PRESENT:

THE EARL GREY, *President.*

Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE, A.S.C.
Colonel J. A. LAMBERT.

Major L. A. M. STOPFORD, D.A.A.G.
Captain F. C. BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary.*

Colonel A. G.
Wavell, C.B.
4 April 1902.

Colonel ARCHIBALD GRAHAM WAVELL, C.B., called in and examined.

1703. (*President.*) You are Chief Staff Officer, I understand, to His Royal Highness the Duke of Connaught in Ireland?—I am.

1704. You come from Dublin?—I do.

1705. Is your experience of canteen management a pretty general one?—Yes, I think it is. I am an old enough soldier to remember the old tenant canteen system.

1706. The Committee will be obliged to you if you will give us your views on the canteen question?—Do you mean on the existing system?

1707. Your experience generally. What was the canteen when you first joined the Army?—It was the old tenant canteen; a shanty put up in the barracks where the men got vile drink and worse food, and the man made just what he could.

1708. Out of the soldier?—Out of the soldier. Nothing could have been worse. I do not say it was not suited to the time, because I suppose they knew no better, but it could not have been worse according to our modern ideas.

1709. How was it replaced?—By the regimental system.

1710. Does the regimental system work better?—Distinctly; it was naturally a very great improvement.

1711. And does it still exist?—It still exists in places, of course; but at the same time we have introduced the tenant system in Ireland. For instance, His Royal Highness the Duke of Connaught, whose Chief Staff Officer I am, has sanctioned the tenant system being introduced in a good many places, so that we have had the two working together.

1712. That is not the same tenant system that you were referring to just now?—No. Of course under the regimental system we learned what profits were to be made, and we make the tenants pay a certain percentage of profits; or rather a fixed price is the usual thing that we get in Ireland.

1713. I think the Committee would be glad to have your views on that point—whether the regimental system or the tenant system, as it is now, is the best in your opinion?—I may say that His Royal Highness concurs generally in what I say. I should not like to commit him to everything I said, but he told me he concurred generally in my views; or rather he has expressed his views to me, and I am giving expression to them. He certainly prefers the tenant system.

1714. You can only of course give your own views?—I may say that is His Royal Highness's view as well, distinctly.

1715. Why do you prefer the tenant system?—For several reasons. I think, first of all, they are business men, and that they are more likely to give a soldier value for his money, which is the first consideration. They naturally look after everything. The men are relieved from duty and the officers are relieved of a great deal, I do not say of all, responsibility, but the junior officers are relieved of a great deal of responsibility, and a great deal of time. And what I think is rather an important thing, everybody knows there was a great deal of speculation that went on and that a great many non-commissioned officers looked forward to the time at the canteen when they could feather their nests, and all that was naturally removed. I speak as an Adjutant and as a Commanding Officer. I commanded two regiments and a regimental district; I was Adjutant of a regiment and I have been on the Staff in several places; so that canteen questions have come before me and canteen troubles have come before me in most of their forms.

1716. I understand your ground for preferring the tenant system is that, in the interest of regimental efficiency and of the morality of your men, it is undesirable that your men should be associated with the management of the canteen?—Yes, quite so; and further, the main thing—and that is the main thing, I think—the soldier would get the best value. I think the first thing is the customer. I think the soldier would get the best value from the tenant canteen.

1717. The tenant, I suppose, does not accept the contract to run the canteen from motives of philanthropy?—Not a bit.

1718. He does it purely as a business man, to get as much money out of his canteen as possible?—Yes, I suppose generally to make a good profit—to make it pay in point of fact.

1719. What does he pay for the privilege of serving the soldier?—It varies, of course, a little, according to the places. For instance, where there was a very large garrison he naturally would be able to give more than in a small place. I should think it would go possibly as low as 1s. 6d. in a very small station where there are 40 or 50 men, up to 2s. with a dépôt of 200 to 300, and up to 2s. 6d. a month a man.

1720. How does he get that money back; on what articles does he make his profit?—I have spoken to a good many of these men on the subject; Dickeson and Lipton are two men who are employed, and their view is that the way that they make it is that they are importers, and by selling their goods they can afford to give the difference between the import and the retail price for the management and for the benefit of the soldier. Whether they actually do that is a thing I should not like to commit myself to saying.

1721. Still it is his interest to get as much money as he can?—Yes, distinctly.

1722. And on what articles that he sells does he make his greatest profit?—Of course, as you may suppose, they say not, but of course it must be, in drink. One knows it is in drink, it does not signify where it is, the drink is the thing that pays best, naturally.

1723. Therefore it must be the interest of the canteen tenderer to push his liquor as much as possible?—No, I am not prepared to go so far as that. I think if he did, with careful watching he would not get another contract. But the fact remains that the greatest profit is made on drink; so that with a well-managed canteen with a good, energetic, sensible Commanding Officer, it would not pay him to do so.

1724. So that if you could obtain your rent of 2s. 6d. per man I suppose you would be pleased to see the amount of drink consumed in the canteen reduced?—Distinctly; any sensible regimental officer would; there is no question about it.

1725. You wish to reduce the drinking in the canteen?—Yes.

1726. At the same time you wish to have a subsidy to meet the requirements of your men?—Any sensible man would rather see it go lower, and that there was less drink in the regiment.

1727. Do not you think, if you could put the whole business of the canteen in the hands of an organisation

which has no interest whatever in making profits, that would help to diminish the consumption of drink?—But where would that organisation come from?

1728. I say, supposing you could establish such an organisation under the supervision of your regimental officers?—Well, of course I should like to see how it was going to be done before I ventured an opinion upon it. I believe in competition against anything. I do not quite understand how it would be worked, who would work it, who would be these philanthropic people, and who would be their agents in the regiment, for instance.

1729. At present I suppose you have a supervising committee checking the action of your tenant?—Yes; but the committee of course has very much fewer duties, and very much less responsible duties under a tenant, because then if the Commanding Officer gets a sensible man as Canteen President, and he is a sensible man himself, they can do a great deal of the work; he is the older man, he is the more experienced man.

1730. But you have to have an organisation now checking: inspecting the quality of the goods supplied, and checking the action of the canteen manager?—Yes.

1731. The point on which I wish to have your opinion is this: do not you think it would be possible to lease your canteen to an association which should undertake to return to you all the profits after a certain fixed rate of interest had been secured upon their capital, instead of allowing all the surplus profits to go to Messrs. Dickeson, or Messrs. Lipton?—I may tell you that Dickeson or Lipton profess to do that—they profess to give you all the profits.

1732. How?—What they say is that if they have the canteen they not only will give a fixed price, but that everything that remains after the cost of administration shall be divided amongst the soldiers.

1733. Then they are a philanthropic concern?—Mind you, I merely tell you their view. This is what they tell me; whether it is the case, whether they really would do it, I cannot undertake to say.

1734. What security have you that they do it?—I should think none; but I do not see quite where the security is in the other case that you suggest.

1735. Can you not conceive it possible to organise a company in such a way as to secure that the soldier should get the whole of the profits after 5 per cent. had been paid on the share capital?—Honestly, I do not think you can, because I do not quite see who the agents would be to carry it out, granted that there was this philanthropic society.

1736. You are making Messrs. Dickeson and Lipton philanthropic societies?—Not altogether; their agents are men that they look after, they look after it because it is in their interest, and they are business men.

1737. I understand from you that after the working costs have been met they hand over the whole of the surplus to the soldier?—So they say; whether they will or not I cannot tell you. If I was a Commanding Officer again I should be content to take what I thought was a fair profit, a fair charge per head per man, and to watch the goods; to go to contract in the open market.

1738. But if it is possible for Dickeson or Lipton to run their canteens in the interest of the soldier, which by your statement it is?—No, you misunderstand me, I think; I think you are going further than I meant. I simply said that that was one statement that they made to me, that my belief was that they would run it on business lines—that they would make something out of it.

1739. You as a practical man of the world know that they have gone into this business to make money out of it?—Yes.

1740. Not to look after the soldier?—No; distinctly not.

1741. The question I put to you is this: Do not you think it would be possible to organise a business, run on the lines on which Messrs. Dickeson or Messrs. Lipton are running it, which will secure the whole of the profit going to the soldier?—I am afraid I do not. I do not see where the supervision is to come in, to begin with. Given a canteen of that kind, who is going to supervise it?

1742. Who supervises it now?—Dickeson or Lipton. I have no further bother about it beyond seeing that

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their things are good, and that there is not too much drink, and that everything is going smoothly and comfortably.

1743. May I ask whether your attention has ever been called to the working of workmen's co-operative societies?—Never.

1744. You are not aware that they are handling a turnover of over 70,000,000*l.* a year?—No.

1745. In the interests of the working men?—No, I am not aware of it.

1746. Your attention has never been called to that?—No. When I say it never has been called to it, I mean as to the details; I know of it generally.

1747. Would you be surprised to hear that the working men of England are doing for themselves what you seem to think it is impossible to do for the soldier?—Of course I merely have to take it as a fact, if it is a fact; but I do not know it; I should like to see more of it.

1748. We have to bring before you a scheme which will satisfy you on that point?—Yes, exactly. Before I gave any opinion I should like to see the scheme. I only mention these two men, Lipton and Dickeson, as examples, because there are three or four men in Ireland who manage the tenant canteens, and I merely mention them as big men. I dare say there are hundreds in England.

1749. Supposing that it were possible to form a central organisation for purchasing all the requirements of your regimental canteens, and that your regimental officers should have full discretion as to whether they should go to this central Army organisation, or buy from Dickeson, Lipton, or anybody else they pleased, would it not be to the interest of your regimental officers to go to this Army organisation if they felt secure that all the profits realised by it would be divided amongst them in proportion to their purchases?—I should like to see a central organisation working in competition with Dickeson and Lipton, and learn by experience which was the better. I should not mind it starting as long as I was not obliged to go to it. Healthy competition is good; the more competition the better I should like it.

1750. If you could get the same articles, or equally good articles, from the Army organisation as from Lipton or Dickeson, you would naturally go to it?—And provided that I was satisfied that the canteen would be administered properly, I think that the administration of the canteen is such a tax upon the Commanding Officer, it is a tax on so many officers.

1751. We have had a good deal of evidence here from various parts of the kingdom showing that in some canteens managed on the tenant system there has not been civility and there has not been proper attention to the requirements of the soldier; is that your experience?—Certainly not; every officer and every Commanding Officer that I have spoken to yet likes the tenant system; in fact, now there are very few regimental canteen.

1752. We have had very mixed evidence?—Naturally.

1753. We have had a great deal of evidence here in favour of the regimental system?—I dare say. Of course the regimental system looks well, but I do not think that soldiers are business men, and I doubt whether we give the soldier what he really wants, as a business man would. I should think we often have a great many of the same things in the regimental canteen. My experience as a Commanding Officer is that when you go round your canteens you see the same old things all properly arranged, the same old tins of beef, the same old tins of sausages all arranged, beautifully dressed, and everything good, but then they are the same. It only shows that they do not understand the principle of business, which is, that everything should be turned over quickly. I think, in the regimental system, what we are very much, too much, inclined to do is to make the soldier eat what we have. Now Lipton and Dickeson and these business people take care to have only there what the soldier would take, and if he does not like one thing they get another. We are not business men. Our manager is paid so much; he is not going to be bothered. To begin with, he is an old soldier and he does not see why a soldier should change his tastes, why if he likes tinned meat one week he should not go on liking it? But Lipton has experience with customers, and he is constantly trying to find out what they want. My experience is the same in trying to

make the men eat suppers. If you try to make the men eat suppers probably the canteen steward has a lot of extra bother, and he gives them the same thing night after night. There is a lot of waste and it does not perhaps succeed. But these business men watch it, and they are more likely to give the men what they like.

1754. Then your view is that the canteen should be placed in the management of trained experts?—Certainly.

1755. Under the supervision of the regimental officer?—Distinctly, the regimental officer. Nothing in the world can remove it from him. Any plan that removed the management of the canteen from the regimental officer would, to my mind, be fatal.

1756. May I ask you, on that point, whether you would see any objection to the sub-committee, which I think it is the practice to appoint in every regiment, of non-commissioned officers, having on it representatives from the rank and file?—No, I do not think so; I do not think there would be any objection.

1757. The canteen exists for them?—Yes.

1758. And it is desirable to have some recognised way through which the men who use the canteen should express their wishes?—Quite so.

1759. You do not see any objection from the discipline point of view?—I do not see the slightest objection. The only thing in my experience of any soldiers of my service is that these men, do what you will, will not speak out. If they have a good Commanding Officer they trust him implicitly, and they will not give any opinion.

1760. But if it was one of their duties to elect one or two members to the committee which had to supervise the canteen, do not you think they would do it?—They would elect them, but they do believe that their officers who take an interest in it know more about it than they do.

1761. But it would be a help to the officers to get at the mind of the representatives of the men?—I think it would; but I think that is rather what I mean by the difference between the regimental system and the expert—a tradesman. I say that he will do that for himself without a committee; that the men show what they want; they do not talk about it, but they show it; they eat this and drink that, but they will not eat this and will not drink that, and he provides what they will buy. Do not think I am damning the regimental system, I have the greatest admiration for the work it has done, and I think in some regiments it has been admirably managed, but I am talking of the sum total of the regimental system.

1762. There is one other point that I should like to ask a question about, viz., the character of the buildings you provide for the recreation of your men?—I am sorry to say that I have a different opinion from most people on that point. I may say also that His Royal Highness has a very strong opinion upon that. He is a great believer in the canteen on the restaurant system, and I believe in it myself implicitly. I do not see why a man should not sit down and have his glass of beer next to a man who has his coffee, why one man should not have his sausage and glass of beer and another man his sausage and cup of coffee. But although the regulations say that the canteen is to be run on the lines of a well-ordered tavern, anybody who went round our regimental canteens and called them well-ordered taverns must have a very poor idea of a tavern; sawdust floors—places which men would never go in except to drink.

1763. What prevents you from carrying out your views?—Custom; I do not know why it is not done.

1764. Why should you not realise your ideals which you have just expressed?—I do not know why it is, but it is not done. First, it is discouraged by the authorities; there is no doubt of that.

1765. Have you the floor space to enable you to do it?—No, I do not think so—in very few cases.

1766. Would it cost a large expenditure of money?—It would cost a good deal. And of course now the wet canteen is separated from the dry, according to the latest order, I must say I think that if we are going to improve the class of soldier we must not let him think that he has to go to a canteen in a hole-and-corner place to drink. His Royal Highness tried the restaurant system with the 8th Hussars in India with

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the greatest success, and I also tried its success fully in Burma.

1767. And you found that it had a moral influence and humanising effect upon your men?—Yes. Of course the only way I could do it was that I allowed beer with the supper meal; that was the outside I could go to. But I would go very much further, and I may say that is entirely His Royal Highness's view; he has had immense experience of course in different commands.

1768. But as it seems that the views of the authorities are in favour of your taking this action?—Not altogether.

1769. His Royal Highness and you, you are his Chief Staff Officer?—Yes, in the Irish command.

1770. Then I may take it that the view of His Royal Highness and his Staff are in favour of this change of having your canteens run on the restaurant principle?—Distinctly.

1771. Then that is one difficulty removed; the authorities are in favour of it instead of being opposed to it?—It depends upon what you call the authorities. It is not the War Office authority. I do not think they are in favour of it.

1772. Have you seen the circular letter that was issued by the War Office in December?—Yes.

1773. In which these very views are given expression to?—Yes. Excuse me I do not think they say so. I think they say they are to be separated; that is just the point, "the liquor bar should be a short distance from this institute."

1774. But I understand that it was the wish of Lord Roberts that everyone should be allowed to have his glass of beer with his supper?—Then Lord Roberts is in agreement with His Royal Highness.

1775. So I do not think the objection from the authorities is a very formidable one?—Not in that case; but you see it says here that "the public funds are not available to carry this out."

1776. It is a question of finance, like everything else in this world?—Yes.

1777. What finances would it require to enable you to have your canteen on the restaurant principle?—I am afraid in a good many places it would cost a lot, simply from our having an idea at one time or another that the canteen must be separated from the coffee-room.

1778. Your takings are 2s. 6d. a man per month. What does that tot up to; what subsidy do you receive from your canteen; what money is paid to the regimental officer out of your canteen—a pretty considerable sum of money?—Yes, a good deal; but there are many heavy calls upon it. The canteen has been looked upon as the old milch cow, and I think it is milked pretty well dry. First of all their coffee has to be provided each morning. It would be a great thing if Government would recognise that everything the soldier must have should be part of his ration.

1779. But you taking such a strong view of what the requirements of a soldier are with regard to the canteen, would you not be in favour of borrowing money upon the security of the canteen receipts, to make the interest upon the capital required to build the buildings, which are so necessary, a first charge upon the profits?—The only thing, I think, is that, in common with a great many others, the soldiers themselves would say, Why does not Government do it?

1780. But I am assuming that the Government will not do it. You have a security that you can use to put up the buildings you require. Why do not you use it?—Personally I would. Whether that would be the general feeling of the Army I cannot tell. Certainly there would be a strong feeling amongst the soldiers and a great many people that it was not the duty of the soldier to pay for buildings out of his profits, because although the profits seem big there are very heavy charges against the canteen. Another objection would be that heavy expenditure might be incurred by a unit which was moved to another station soon after such an expenditure. The men now, whenever they go to a field day, always take something with them, if the Commanding Officer is wise. There is soup in the evening for them; there are games, recreation rooms, papers—very heavy charges.

1781. What do you charge them for soup in the evening?—Excessively little in a well-managed regiment—just for lentils or beans, or something of that kind, because the bones are put in.

1782. There is a good nourishing soup which they can get at a small price?—Practically they do not pay for it. It was never paid for in my regiment. We had a free issue of soup in the evening; and the only thing I took from the canteen was for lentils and flour, or whatever you make soup with—I do not know much about it, but I know it was a very small charge.

1783. (Colonel Bridge.) You demur to the establishment of a large co-operative society giving all its profit to the soldier, more because you are afraid that the machinery to work it would be inefficient—not to the idea?—I tell you I like the idea extremely, but I have not seen the machinery.

1784. In fact you think the machinery would be inefficient?—Yes.

1785. But if it was efficiently worked, you think the creation of such an establishment would be beneficial?—I do not like to commit myself to that. I do not know really enough about the system to give an opinion. I cannot say that I would commit myself to saying that a thing is a good plan. I really do not know what the system is. It may be that I ought to know, but as a matter of fact I do not, and until I do know I should not like to compare it with the regimental system or the tenant system, of which I do know, because I should not like to say it would be a bad system until I know more about it. But I certainly should like very much to see it working so that the Commanding Officer or general or with whom ever the contract rested, could give it either to them or to an outsider.

1786. You are afraid of a monopoly, in fact?—I am afraid of any monopoly.

1787. Do you not think that things are tending towards monopoly. Does not your experience show you that one, or two of the firms, Lipton and Dickeson, have practically got a monopoly now?—You mean if they should combine. But at present they have not.

1788. But those two firms practically have got all the trade in the Army?—I think that others would spring up. For instance, already, in Belfast, there is a third man who has the Belfast canteen; and I have no doubt others would spring up.

1789. Do not you think a great many others have been cut down already in the process?—I do not know.

1790. A lot of the other contractors of the past ages have gone?—I do not know; there were no tenant canteens of course until lately, so that I do not see how many could have been cut out.

1791. But the people who used to supply, whether under the tenant system or the regimental system, have gone altogether, this is my argument, and these people are making a great effort to get the whole of the canteen trade into their hands, and with very fair success?—As I say, there are already three in Ireland to my certain knowledge who compete. And mind you we have been working this tenant system without being sanctioned quite by regulations, so I think that if the thing became a regulation others would spring up. I cannot see why it should remain for ever Dickeson or Lipton.

1792. You think 2s. 6d. is about as good a profit as you ought to get?—I should not like to say; I only say as a matter of fact that is what it is. I have no doubt with competition it might be increased. In one case I know a man offered 3s. 6d. to cut down another man.

1793. Four shillings is being given in an infantry regiment, where you have less pay?—Of course you know we have troops scattered all over Ireland in no very large bodies now; so that I dare say, as I said before, the price would go up with the numbers.

1794. You do not think then that a firm could pay as much as 4s. per man per month and also pay the shareholders a just profit at the same time?—I should not like to say. I do not know enough of it. You would see that in competition. There is one thing I should be very much opposed to, and that would be putting the thing out to tender. I think that none but really good firms should be allowed to tender, and if I was a Commanding Officer I should not accept any high

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tender in this case. I would not accept any very large sum from a small man, because I should feel quite sure that he could not serve me honestly. And I think constant inspections would be very necessary; and I am sure his Royal Highness, if it was established in Ireland, would use any expert he had, any Army Service Corps officers, and would send them constantly round to the canteens to pay surprise visits to test the beer, to test the food, to see to what extent they were sanding the sugar or putting stuff into the coffee.

1795. (*President.*) You are prepared to sacrifice a certain amount of income in order to secure good management?—Quite so.

1796. (*Captain Boehmer.*) You are very strong on the point of competition?—Yes, I believe in it.

1797. You think it is necessary?—Yes.

1798. How long do you make the contract under the tenant system with any firm?—That is a point that will have to be thought out very carefully. If you give a very short contract (as we are doing now) you can change it very often; but, on the other hand, I doubt whether the very best firms will tender unless they get a fairly long contract; I think it varies between three months and two years; I have heard both mentioned.

1799. Is it not a monopoly where you get a particular firm and you give him a contract, say, for twelve months, then as long as he behaves himself; and as long as he satisfies the committee he has an absolute monopoly of that canteen?—Well, of course, naturally.

1800. There is no competition when once he gets in as tenant?—No, for a year, distinctly. But I do not see how you are going to alter it. If it was a contract for three months, for three months he has a monopoly; if it is for a week, for a week he has a monopoly for a week. If it was for a day, for a day he would have a monopoly.

1801. My point is that the tenant system is a system of monopoly and not competition; is not that so?—No, I do not agree with you; I think it is a system of competition. It does not seem to me that any business could be managed unless there was monopoly to that extent.

1802. (*President.*) Captain Boehmer means that during the time of the contract the soldier has to consume the articles supplied by the firm who has the contract?—Yes, quite so; but he must from some firm or other.

1803. That, although you could buy better tea, potatoes, or sugar outside, he has for a whole year, or during the length of the contract, to consume inferior articles, or what he considers to be inferior articles?—Yes.

1804. (*Captain Boehmer.*) I should like to go further upon that point. In the tenant system I suppose in the contract there is a fixed price for goods to be sold to the soldier—a regular price list?—I should say probably there would be.

1805. Is it not a known fact that all grocery commodities vary very much in 12 months as to price?—I suppose they do.

1806. How often on the tenant system is the amount to be paid, the 2s. 6d. rebate, altered; or how often is the price list revised in the canteen?—I could not tell you; but I suppose you must have a tender for anything—for meat. The Government contract for meat at a certain price, whether the meat goes up or down. I do not see how you will get over it.

1807. But if it is not a monopoly, and if a contract for a fixed price is not given, then if prices go down you can buy cheaper if you are not tied to one man?—But if you make a contract for meat at 2d. a lb., or 4d., or 6d., and meat goes up or down, the contractor wins or loses. You cannot help that.

1808. This is a question of the soldier getting value for his money. On the tenant system, considering that the prices do vary of commodities, are there not times when he does not get value for his money?—That may or may not be; if prices went up, the man who had to pay the 2s. 6d. a man might lose—he could not make enough to pay it; but he would have to pay it.

1809. It comes to the same thing: that the tenant system really is a monopoly?

(*Colonel Bridge.*) I think I can clear up the point. Would it not be preferable to have the contract at market prices?

(*Major-General Eaton.*) But that is done; Dickeson does do that.

(*Colonel Bridge.*) That is done, as a matter of fact, sometimes; but it is not universally done.

(*Witness.*) But I am talking of all the things the soldier buys for himself. If he does not like the price he does not go there. My contention is that it is in the interest of these people to have the things that the soldier will buy at a price he will pay for them; and if the tenant wants to make anything out of it he will have to suit his price and his article to what the soldier requires. I think in that way the soldier will get a good bargain.

1810. (*Major-General Eaton.*) Do you think that a central organisation worked from London under the War Office would be a success?—No.

1811. You would be opposed to that?—I should be very much opposed to that.

1812. The purchase would then be compulsory?—Yes, I should object to that very strongly, and I think that a great many people would.

1813. (*President.*) I understood from your former evidence that you would not be opposed to it if you had permission to trade elsewhere?—Yes, quite so.

1814. (*Major-General Eaton.*) The question I asked was, whether a central organisation worked from London, under an Army Council of past and present officers, would work successfully?—Not compulsorily.

1815. I mean compulsorily?—I say, no, distinctly not.

1816. Can you tell from your returns since the tenant system has been in practice in Ireland, whether the consumption of beer in the canteen has increased?—I should not like really to say for certain. I should say not.

1817. It has not increased to such an extent that it would prove that there has been a pushing of the sale of beer?—Certainly not.

1818. Do you know whether any of the contracts made with a tenant are at market prices in the canteens in Ireland. For instance, supposing that potatoes were sold in the canteen, say, in January, at a certain price, if the price of potatoes went down, would they be sold cheaper?—I cannot tell you that.

1819. It is done, I know, but I do not know whether it is done in Ireland?—I dare say it is, but I could not tell you.

1820. You think that the men in Ireland, so far as your experience goes, are perfectly satisfied with the tenant system?—Yes.

1821. You have had no complaints?—No, absolutely none.

1822. And so far as you know, are the men satisfied with the way in which their profits are expended?—That is going to another question. I should think so, certainly. I never in all my experience have ever heard men complain of the way in which the profits are spent. That, of course, has nothing to say to the tenant system, naturally. You mean generally.

1823. Yes?—I think so.

1824. You are in favour of every Commanding Officer retaining the same control over the canteen that they have at present?—Decidedly.

1825. Which they would not have the power to do if they had a central organisation in London?—No, I do not know how that would work, and I do not know who would be the people who would work it, or what check there would be—how you would watch the profits.

1826. (*Colonel Lambert.*) When the President spoke of the improvement of buildings and making the interest upon the cost the first charge on the canteen profits or the regimental institute profits, would you anticipate any difficulty in getting the liability, on a change of station, taken over by one regiment coming in from the other going out?—That was what occurred to me: that would be naturally about the very first difficulty that would occur; that men would have a very nice building and go to a place where there was a very bad one, and there would be great difficulty in the transfer of the liability.

1827. You said, too, that in the case of the sub-committee there was no objection to their being

associated with the officers in the management of the regimental institute?—No, I see none.

1828. Would you advise that that sub-committee should have any voice in the distribution of the profits or the expenditure of the profits; or would you leave that as heretofore?—I would leave it altogether with the Commanding Officer.

1829. I gather that you prefer the present contract system on the ground that it obviates many evils which you mentioned at the beginning of your evidence?—Quite so.

1830. Would you advocate, in view of the troubles that do occur in the sergeants' messes, its extension to the sergeants' mess?—I have not thought about that. I have had a strong opinion for years that the sergeants' messes are the weakest part of our Service. Sergeants' messes instead of being what they should be, clubs for respectable men, are nothing but drinking shops, and I speak from the experience of commanding two regiments and a dépôt and doing everything that I could during the whole of my service as Adjutant and Commanding Officer to turn these into decent places.

1831. Could you suggest to the Committee any way that has ever struck you for improving the defects in the sergeants' mess, particularly in the sale of liquor?—What I tried in India was to let the caterer receive a certain amount of pay for the trouble he devoted to the messing, provided a certain per-centage was given back. I put in a couple of total abstainers, a couple of men I trusted; I learned in a few months what the average profits were, and I allowed the sergeants to give so much from the profits to the caterer for his

The witness withdrew.

Sergeant JAMES HOWARD, Coldstream Guards, called in and examined.

1837. (President.) Will you tell the Committee how long you have been in the Army?—Eleven years.

1838. Then you have had a wide experience of canteen management?—Not of canteen management; of the sergeants' mess management chiefly. I have been accountant of the sergeants' mess in the past three years periodically.

1839. But you have a personal acquaintance with canteens?—Yes.

1840. And you know pretty well, I suppose, the opinions of your men upon the subject of canteens?—Yes, I have questioned them on the subject.

1841. Have you experience both of the regimental system and of the tenant system?—Yes.

1842. Which do you prefer?—I prefer the tenant system.

1843. And why?—Because I think that the men benefit much more by the tenant system than under the regimental system.

1844. Will you say in what way; because we have had evidence from other men in the Army to the effect that they prefer the regimental system?—The tenants seem to go more deeply into the subject and try to benefit the soldier much more by various methods of comfort, and so on; for instance, under our present system, at Chelsea Barracks, we have started to give the men supper. They pay threepence at the entrance and they receive a ticket for which they get one pint of beer and two courses for supper—all for threepence.

1845. That is under the tenant system?—That is under the tenant system. That is during the winter. I do not think we shall continue it during the summer.

1846. And your view is, from your experience of the working of the two systems, that the tenant system meets the requirements of the men more efficiently?—Decidedly. There is a great amount of competition in the tenant system, consequently we get one competing with the other to do their level best and to outvie each other, and I find the quality of the goods that we receive now and the comfort of the men that is brought about is really much better than under the old regimental system.

1847. Where is your beer brought from?—Ind, Coope, & Company.

1848. And who is the tenant of the canteen?—Dickeson.

trouble, and paid him for his work. But I do not think it was continued after I gave up the command of the regiment.

1832. You found it satisfactory?—It was only for a short time, but I found it satisfactory. But I do not think it is a solution of the difficulty.

1833. (President.) There is one question that I should like to ask you before you go; what beer do you purchase for your canteen?—I could not tell you. I think it varies.

1834. His Royal Highness has nothing to do with the purchase of beer?—Nothing.

1834a. It is the General Officer Commanding?—Yes. I may tell you now that really I have not said anything more than His Royal Highness thinks.

1835. Do you wish that statement to appear in your evidence?—His Royal Highness would have given the same evidence himself if he had been able to come, which would have given it a great deal more strength than if it came only from me, because we all know what long experience he has had. Yesterday I was inspecting with him, and travelling down from Armagh, and I told him more or less the lines of my evidence, and he said they expressed his opinions.

1836. Then we may take it that we are listening through you to the views of His Royal Highness as well as your own?—Yes, and that he would have given evidence himself if he could. The only thing is that I am perfectly sure he would have given it very much better than I have, but I know those are generally his views.

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1849. And is Dickeson obliged to sell Ind, Coope's beer?—Yes, under the existing contract which was made on the 1st of January last.

1850. What is the price paid for beer at the canteen?—It is according to the quality—I cannot say as to the canteen, but at the sergeants' mess, for mild beer we pay 30s. 9d. for a barrel.

1851. That is 36 gallons?—Yes.

1852. What do you retail it out at?—A penny a glass, which is 48s. to the barrel.

1853. That is 4d. a quart, 2d. a pint?—Yes.

1854. (Major-General Eaton.) Do you know whether the consumption of beer in the canteen has increased under the tenant system or not?—I do not think it has—I cannot say with certainty on that point.

1855. You do not think there is any undue pushing of the sale of liquor under the tenant system?—No. I consider that the system of allowing the sale of beer at the coffee bar has done away with a lot of that.

1856. That meets with the approval of the men, I suppose?—Yes. For instance, a man who likes a pint of beer with his supper, under the old system had to go to the canteen; he might take his supper with him to the canteen and go there with the idea of having a pint, and he would meet some friends and consequently have several, whereas he goes to the coffee bar now and has a pint and has had sufficient.

1857. Is that extended to the men at dinner time?—No.

1858. Do you think that that would meet with the approval of the men?—I think it would. I think that would be a very good idea, although at the present time they are allowed to go to the canteen and bring a pint of beer away during a certain hour, half-past twelve to half-past one, to take to the barrack room to have with their dinner.

1859. That is equivalent to it then?—That is from the wet canteen; they do not serve beer at the dry canteen.

1860. Then they are allowed that?—Yes.

1861. Do you know what the contract with Dickeson is—what the rebate per man is?—It varies according to the sale. The sergeants' mess receive 5 per cent. of the total purchases per month; the married families receive the same; each married family has a book, and each purchase that they make is entered in the book and is totalled at the end of the month. They then

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receive 5 per cent. rebate on the whole of their purchases.

1862. But is there not a fixed rebate as regards the men?— $3\frac{1}{2}$ per cent. for the men on the total numbers rationed; that is how it is assessed.

1863. (President.) How does that work out in money?—I could not say; it is 3*l.* 10*s.* per 100 men, and in addition to that there is also a division of profits. After $2\frac{1}{2}$ per cent. has been deducted for working expenses, the remainder is paid over as division of profits.

1864. The whole of the surplus?—Yes, of the retail profits; after $2\frac{1}{2}$ per cent. has been deducted for working expenses, the difference is handed over to the regimental institute.

1865. (Major-General Eaton.) Dickeson therefore only takes the wholesale profit?—Yes.

1866. And no other profit?—No, with the exception of $2\frac{1}{2}$ per cent. for working expenses.

1867. Do you think that the profits under the tenant system show favourably as compared with the profits under the old system?—Yes.

1868. You think there is as much money made in the canteen as before?—About the same.

1869. Are the men informed as to how their profits are spent?—Yes, usually.

1870. But only usually. Is there not a fixed system of having a report printed?—I do not think so.

1871. Have the men complained at all since the tenant system has been introduced?—No, they seem to approve of it very much. The quality of the goods appears to have been quite up to the standard required, and the men I have questioned upon the point appear to think that they have everything that they require in the coffee bar at the present time.

1872. There is greater variety?—Yes, very great; the suppers are varied night after night; three times a week I think they receive the same supper—a similar supper twice during the week. You get three varieties.

1873. The supper is nightly?—Yes, every night.

1874. Do you know about the average number of men that go and have supper?—An average of between 200 and 300.

1875. Then it has the very beneficial effect of keeping the men in barracks instead of letting them wander about the streets?—Yes. There is also a piano there, and a little concert or something of that sort after supper, which keeps the men there and keeps them from going to the canteen afterwards.

1876. Is there any suggestion you can make which you think would improve the canteen?—Dry or wet, do you mean?

1877. Both—the general principle of institutes. Can you make any suggestion to the Committee as to any improvement which you think might be made?—I think a system of permanent suppers would be a very good thing, and a piano and that sort of thing—a little recreation to retain the men in the coffee bar—I think that would keep down drinking.

1878. Have you any suggestion to make with regard to the buildings?—I think there might be a separate room set apart near the coffee bar for private soldiers to take their friends into—I think that would be a very good thing, because in the majority of coffee bars there are not those places. We have one at present at Chelsea.

1879. Do you think it a good thing to have a coffee bar in proximity to the canteen—in one building, so to speak?—No, I think they ought to be quite distinct, as far apart as it is possible to get them. There is then no temptation for the men to go from one place to the other.

1880. (President.) But you would make it possible, I understand, to get drink at the coffee bar?—One pint of beer only by the system of issuing tickets; a man may obtain one pint of beer only, and he is not supposed to have a second pint; he merely goes to have one pint of beer for his supper alone.

1881. So that if he is content with one pint of beer with his supper, he does not want to go to the canteen?—No, he does not want to go to the canteen. If he is a man who wants a lot of drink of course he will go to the wet.

1882. (Major-General Eaton.) Of course the accommodation in Chelsea Barracks is much better than in others; but in the barracks where it was necessary to build new buildings, do you think it would be popular among the men that a portion of their money, the profits, should go towards the building of these rooms?—I do not think, really, that the men ever give a thought to that.

1883. But it would amount to this, you see: supposing that a portion of their profits went in new buildings, or paying interest on loans for buildings, they would lose a large amount of the profit which is now spent for their individual benefit in the shape of subscriptions to clubs and their Christmas dinner, and all that. They could not possibly pay a percentage for the building, and get the same benefit they do now. Do not you think that that would be very unpopular amongst the men?—It would with the thinking portion, but about nine-tenths of them would never think anything about it.

1884. But they would probably grumble when they found they did not get the things they used to get?—There would be an occasional grumble. My experience of barrack room life is that the men do not take any earthly interest whatever in the profits so long as they have plenty to eat and drink, that is their sole idea.

1885. Suppose they lost their Christmas dinner?—That would be very improbable.

1886. But, as you know, a portion of the profits go towards paying for the Christmas dinner?—Yes.

1887. And also the football clubs and refreshments out on field days. Suppose their profits went towards paying for the building instead of getting those privileges; do you not think they would object?—Of course there would be a little grumble there, but still the charge for giving a little luncheon on the route march is very small.

1888. But the charge for interest on buildings would be very large?—No doubt.

1889. It would not be popular in the Army amongst the private soldiers that they should pay for a building which would really be for the benefit of the men that came after them, just as much as for themselves?—No.

1890. (Colonel Lambert.) What are your official relations to the sergeants' mess in your regiment? What are you, treasurer or caterer?—I am the treasurer.

1891. You told this Committee that the sergeants' mess bought their beer from Ind, Coope, & Company, at 30*s.* 9*d.*?—The mild beer; we have various qualities.

1892. Who chose Ind, Coope? Did the sergeants' mess choose them?—No, the contract was formed by the Headquarters Office.

1893. You had no say in the question whatever?—We had no say in the question whatever.

1894. Ind, Coope, also, apparently, supplies the private soldier in your regiment?—They supply the whole of the Home District.

1895. The soldiers had no say as to who should supply them either?—No.

1896. No tasting committee whatever?—No.

1897. (President.) What! no tasting committee in the Guards?—The contract was made by someone at the Headquarters Office.

1898. (Colonel Lambert.) You and your comrades, and those junior to you, had no say in the matter?—None whatever.

1899. I understood from you that the mild beer was bought at 30*s.* 9*d.* and sold at 48*s.*; that roughs out at about 17*s.* 3*d.* profit on 36 gallons?—Yes.

1900. What unascertained profits in addition does the caterer pay into your fund?—He pays nothing whatever. We have the locked-till system.

1901. And there is no unascertained profit on the locked till?—We do get unascertained profits, but he has no set sum, not set figure to pay in.

1902. Could you say at all within a little—not to bind yourself to one or two figures—what the unascertained profits average upon the sergeants' mess?—10 per cent.

1903. Have you known the sergeants' mess carried on before the locked-till system?—Yes.

1904. Were there unascertained profits then or not?—Oh, yes.

1905. In addition, before that?—Yes, before that. The caterer used to pay a certain sum at that time. I was not a sergeant very long before we adopted this new system—in fact, we have had the locked-till system in my battalion since it has been formed. I was only a sergeant about six months under the old system in the 1st Battalion.

1906. What, roughly speaking, is the average profit made on the beer in the sergeants' mess. This one figures out on 36 gallons at 17s. 3d. What are the profits on any of the others? You happen to know these figures, 30s. 9d. and 48s.; could you give us the rate for any other?—44s. the bitter.

1907. What does that retail at?—At 72s.; 1½d. a glass. That is better beer, of course.

1908. You have such a long experience of the locked-till system in the sergeants' mess, has there been any trouble at all since the locked-till system came in, any shortage of the money among the caterers?—Just a few shillings under once or twice during the past three years.

1909. That is all?—Yes.

1910. (President.) Has it never been the practice in the Guards to have a tasting committee for the beer?—Before this present contract was formed I believe the Guards dealt with the Lion Brewery Company for a great number of years, between 30 and 40 years, I understand. This is the first contract that has been formed to my knowledge with Ind, Coope, & Co.

1911. When was the change made?—On the 1st of January last.

The witness withdrew.

Private E. FARMER, Grenadier Guards, called in and examined.

1922. (President.) How long have you been in the Army?—Twenty-one years.

1923. And you have had a large experience of canteens?—A little.

1924. You know the regimental canteen and the canteen which is managed on the tenant principle?—Yes.

1925. Which do prefer?—I would sooner have it under the old principle.

1926. You like the regimental canteen?—Yes.

1927. Why?—Because it suited better—more obliging in the waiters.

1928. And you get the same variety of food?—Yes, much about the same.

1929. You do not get served any better on the tenant system than you were before?—No.

1930. Has drinking increased in the Army or decreased since you joined?—It is decreasing.

1931. There is less beer drunk?—Yes.

1932. How is your beer selected?—I could not say how it is selected.

1933. You have not a tasting committee?—No.

1934. What beer do you drink?—Ind, Coope's beer now.

1935. There has been a recent change?—Yes.

1936. Do you like the new beer better than the old?—No, I would sooner have the older beer.

1937. To which you were more accustomed?—Yes.

1938. Is your view the view of the men in your regiment?—Yes.

1939. Where are you quartered?—Wellington Barracks.

1940. What sort of a canteen have you there?—My canteen is all right.

1941. Is there sufficient accommodation for the comfort of the men?—Yes.

1942. Can you get a glass of beer at your supper?—Yes.

1943. What do you pay for your supper?—Bread and cheese and that?

1944. What do you pay for it?—A halfpenny for the bread and a penny for the cheese.

1912. Who is responsible for making the change?—There was a Head District Order that a contract had been made, and that Commanding Officers would reduce their stock and give orders to the new contractor from the 1st of January.

1913. Is there no grumbling by the men as to having no power of choosing the beer served out in the canteen?—No, I do not trace any.

1914. They do not mind which beer it is?—They do not, really, as long as it is beer.

1915. They do not know the difference between good beer and bad?—A great many do not.

1916. I heard you say that the per-centage of thinking men in the Guards was only 10 per cent. Do not the other 90 per cent. know the difference between good and bad beer?—I dare say a few do.

1917. You drink beer yourself?—Yes.

1918. And you know the difference between a good glass and a bad glass?—I think I do.

1919. And you do not think others in the Guards do?—Yes, you find occasionally one or two who have a good taste for beer.

1920. Do they prefer the new brew they have now to what they have had for the last 30 years?—I should not say they do; some do and some do not; they are not unanimous on that point.

1921. (Major-General Eaton.) Which do you prefer yourself?—I rather like the new beer. Of course this 44s. bitter is the very best they supply; it is India Pale Ale, so it is really a good beer; I usually drink it myself. I do not drink over much, but I rather like it.

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1945. And a glass of beer with it?—Yes.

1946. At the coffee bar?—No, not at the coffee bar.

1947. You have to go to the canteen?—Yes.

1948. Where do you get your bread and cheese served?—In the refreshment room.

1949. How far is that from the wet canteen?—It adjoins it, it is next door.

1950. Then there is no difficulty in the men getting a glass of beer with their supper. May they take it into the dry canteen?—Yes. To go into the refreshment room they go into the canteen to eat it.

1951. Is there any improvement you can suggest as to the management of your canteens; how could they be managed in a better way so as to meet the requirements of the soldier more efficiently?—I do not see how they could be managed better.

1952. (Major-General Eaton.) Who is working your mess now; under what system is it at present? Who is supplying the goods?—I think it is under the Co-operative Stores.

1953. Canteen and Mess Co-operative Stores?—Yes.

1954. And you say you have incivility from the waiters?—They are not so obliging as they should be, some of them.

1955. Not so obliging as the old men were of your own regiment?—No.

1956. Have you had experience of any other contractor?—No.

1957. Are the men as a rule satisfied with the present working of the mess?—Yes, I think they are.

1958. You think the supply is as good now as it was before?—Yes, only they grumble about the beer, that is all.

1959. That has nothing to do with the Co-operative Stores?—No.

1960.—That is by contract?—Yes.

1961. Do you know what rebate you get from the Canteen and Mess Co-operative Stores?—No.

1962. You do not know at all?—No.

1963. You do not think the men know the conditions of the contract with the stores?—No.

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1964. Are the men of the battalion satisfied with the way the profits are spent?—Yes.

1965. Do they know how they are spent?—I do not suppose they do.

1966. They do not take the trouble to ask?—No.

1967. They get the usual privileges, I suppose, and get their Christmas dinner paid out of the canteen money?—Yes.

1968. They all know that, I suppose?—Yes.

1969. Do you think that the men would appreciate the idea of having better buildings if the expense of

building those buildings came out of the profits of the canteens?—I should say they would.

1970. You think they would like the profits to go towards building better buildings?—Yes, they would.

1971. In preference to the way the money is spent now?—Yes.

1972. Mind you, they would lose all they have now. They have refreshments sent out on field days, and all those things. Do you think they would rather lose those advantages and have better rooms at their own expense?—I do not know.

1973. (*Captain Boehmer.*) Are you a married man?—No.

The witness withdrew.

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Major JAMES MURPHY called in and examined.

1974. (*President.*) We shall be obliged to you if you will give us any evidence which you think will interest the Committee on the subject of canteens. I understand you take an exceptional interest in the subject?—I was secretary for the Royal Marine Canteen at Gosport for some years.

1975. Then we should like to have your views as to how the present canteen management could be improved, if in your opinion it is capable of improvement?—Perhaps I may give you the lines of managing the Royal Marine Canteen. There are two separate establishments, beer and grocery, quite distinct from each other, and in two separate parts of the barracks, so that there is no means of getting liquor at the dry canteen. It is managed by a committee consisting of a Lieutenant-Colonel, president, and two junior officers, a major, captain, or subaltern, as the case may be, with a secretary, who is the senior Quarter-master at the division. Once a month, soon after the accounts can be closed, about the 7th to the 14th, there is a committee meeting held, at which two non-commissioned officers (two sergeants and two corporals), and one private from each company, elected by the members of the company, attend before the committee; they are called in one by one, and questioned as to their opinion of the management of the canteen, and whether there are any complaints or suggestions they can make, and so on. That goes on very satisfactorily so far as the Royal Marines are concerned.

1976. I understand you have this standing committee consisting of a Lieutenant-Colonel as president and two members, who may be majors, captains, or subalterns?—Yes.

1977. And every month two sergeants, two corporals, and a private from each company, who are elected by the members of their own company, appear before the committee with a view to making complaints or suggestions in connection with the management of the canteen from their point of view?—Yes.

1978. How long does that examination last, as a rule?—From two to three hours.

1979. Then the committee, the Lieutenant-Colonel and his board, go thoroughly into the whole question?—Yes.

1980. How often?—Once a month.

1981. And do the privates have sufficient courage to give expression to their views?—Yes, quite; they are pleased to do so. They are called in one by one, so there is no chance of getting men in together and one being afraid to speak before the other. They are closely questioned by the members of the committee.

1982. And they will answer?—Yes, and they do.

1983. And by that means the Lieutenant-Colonel gets hold of a great deal of information that he would not otherwise get, as to where the shoe pinches?—Yes.

1984. And of what can be done to remedy things?—Yes. The men are invited and pressed to make complaints fully, if they have any, and suggestions.

1985. Has that led to any alteration in the management?—The management has gone on very much as it is now for 11 years. For 11 years I was permanent secretary to this committee.

1986. Has this system of examining privates led to any change?—Not necessarily to any change of management but it has led to getting perhaps better goods or ensuring a high standard of goods.

1987. Altering the place from which you buy goods?—Yes, it has led to that at different times. The system adopted is of course to apply for price lists from the various tradesmen round and examine their prices. The weekly journal, "The Grocer," is taken every week and overhauled as well.

1988. And the men take a great interest in their own canteen, I suppose?—Yes, very much so.

1989. Do they take a personal interest as to where the articles are purchased?—No, I cannot go so far as to say that; but if they have any complaint to make as to any particular articles, and so on, the question arises at the committee, where was this obtained? and if it can be improved upon, of course it is improved upon.

1990. Do the men take any interest as to the way in which the profits are spent?—The profits are spent in various ways, such as sports, rifle meetings, Christmas gifts, and other matters, to the whole of the men, married and single.

1991. What is the strength?—Roughly, an average of 800 a day.

1992. And the average attendance at the canteen?—The whole of the barrack rooms deal at the canteen, every one with no exception. The whole of the married officers in the Royal Marines, I may say, deal at the canteen, and I think that ensures a good standard of articles always coming in.

1993. Does the canteen serve the purposes of a club to the soldier?—I cannot say that; there is another separate building that has nothing to do with the canteen, that is the recreation room, and coffee bar, I think that is what it is called in the Army.

1994. The canteen is only the dry canteen, which sells the groceries, any the wet canteen which sells the liquor?—Yes.

1995. Where do the men have their supper?—At the recreation room.

1996. Can they get beer with their supper?—No.

1997. Do you think that is a good plan?—My experience is that it is the recruit mostly who goes to the recreation room for his supper. As I know the recruit he does not go to the beer canteen very much, and the question of beer has not arisen. It has never been asked for through the recreation room that he may be allowed to have beer with his supper.

1998. The recruit does not drink so much as the old soldier?—No, the recruit, when he passes from the depot to his division, goes on in a quiet way and banks his money; he looks forward to the Easter and Christmas holiday, and saves his money up to that time.

1999. Then the standard of the soldier is improving?—Considerably, I think.

2000. You are getting a better class of man in?—Yes.

2001. More temperate, more saving, and a higher class of man?—Yes. At the present time I am connected with the recruiting staff up here, as recruiting staff officer in London. We take no man without a reference and a character of six months into our corps.

2002. How far is this recreation room where they have their supper from the wet canteen?—300 yards.

2003. And you would not be in favour of allowing them to have a glass of beer with their supper?—Yes, I should if anybody so desired it.

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2004. But up to now you say you have not been aware of any demand?—No.

2005. Even among 800 men?—The question has never been brought to the front that they would like beer with their supper in the recreation-room.

2006. Nearly all the evidence that we have taken during the last three days goes to show that men do like to have the opportunity of having a glass of beer with their supper, both officers and men; and you are the first witness I think to say the contrary?—Yes, I agree with you there.

2007. Yet you say that your 800 men have never made a complaint on that score?—Probably because there are no facilities in the recreation room for it. I take it that they go to the recreation room and have their supper, walk down to the wet canteen and have their pint of beer, perhaps, and then go on to bed.

2008. Is there not a temptation to have more than one glass of beer if they have to go to the wet canteen to get it?—Yes.

2009. So that a man who has a desire for a glass of beer with his supper is tempted to drink more by not having the facility of getting it with his supper?—Quite so.

2010. What accommodation have you for the recreation of your men in the recreation room?—For their supper, do you mean?

2011. For their general comfort?—There is a billiard room with three tables, on the ground floor, and there is a reading room, a great deal larger than this room, upstairs, a circulating library and a writing room for them to write their letters, and all that sort of thing. At the other end of the same establishment leading out of the billiard room you go past the coffee bar into the restaurant.

2012. And you have a good restaurant?—Very good indeed. There are a dozen marble topped tables there and all the comforts of the place that they can sit down to.

2013. Then I think in spite of the fact that the young recruit does not have the same desire for beer as the old soldier, you would be in favour, from what you have said, of serving out a glass of beer at the coffee bar with his supper?—Yes. I should be sorry to see a man turned away from the coffee bar because he could not get a glass of beer with his supper if he desired it.

2014. And the accommodation is sufficiently extensive to meet the requirements of a large number of men like 800?—Yes.

2015. You do not want any more buildings?—No, we have a very good-sized establishment there for recreation purposes and supper besides.

2016. Is your canteen managed on the regimental system?—Yes.

2017. Who buys the beer?—The president of the canteen, the Lieutenant-Colonel, signs all orders for tradesmen.

2018. Have you a tasting committee on the part of the men: how do they decide what beer they will have?—That was decided some years ago. It was then brought before the men and they tasted and chose the beer, which has been continued to be supplied ever since.

2019. You have stuck to the same brewer since?—We have stuck to the same brewer since.

2020. Has the consumption of beer increased or decreased?—Decreased.

2021. There is a less consumption of beer?—There is a less consumption of beer amongst the men of the regiment now than there was years ago.

2022. (*Major-General Eaton.*) Your canteen, of course, is a permanent canteen?—Yes.

2023. It can hardly be compared to the canteens of other regiments, moving about?—No, I do not think it can.

2024. And as a rule your president is president for some years?—Yes.

2025. And your men are older men as a rule when they enlist, and a better class of man; of course, the fact of your having a character with them ensures that?—Yes.

2026. As a rule how long are the men in barracks?—About 18 months.

2027. Then they go to sea?—Yes, then they go to sea, and they may be away three years, or they may be in a harbour ship for a year.

2028. Then they are better paid than the rest of the Army?—I do not know how that is.

2029. Your barracks are under the control of the Admiralty?—Yes.

2030. You have nothing to do with the Army at all?—No.

2031. But you really have a system of competition in supplying your canteen?—Yes, quite.

2032. You would not favour monopoly—employing one man and giving him a monopoly?—No, certainly not. The desire is to get your supply from the best people and at the cheapest rate, ensuring a good article.

2033. And the only way to get good things is by competition?—Yes.

2034. (*President.*) Are you conversant with the co-operative system, the working-class co-operative stores?—No, I am not.

2035. Do you think that if you had a central army agency in London for purchasing articles required for the canteen, they could purchase the goods which you require, and serve you with them, at a lower price than you can get them for from contractors?—I think you would be dependent entirely upon the management in that case; if you had good business men, good buyers, it might work.

2036. If you paid enough for your men there is no reason why you should not be as well served as by Lipton or Dickeson?—I do not see why you should not be as well served as by a private firm.

2037. (*Major-General Eaton.*) Then the purchase of goods from that department would be compulsory?—Yes. Whether that would be a good system I should not like to say; I do not think it would.

2038. (*President.*) I am not suggesting that it should be compulsory, but that if you had this department in existence and had the option of going to this department, or to Lipton or Dickeson, you naturally would give the preference to the Army if you get the same article at an equally good price?—Yes.

2039. Because they would divide their profits with you in proportion to the purchases?—Yes.

2040. (*Major-General Eaton.*) Still if it was compulsory you would not think it was advantageous?—No, I do not think people would look upon it as being all right if it were compulsory.

2041. Can you give us any suggestion for improvement of military canteens. I think it is generally allowed that your canteen is one of the best?—I know so little about Army canteens that I can tell you little about them; but I can tell you all about our own—after the receipt of the goods, the manipulation of them, the distributing of them, the keeping of accounts; I could tell you all that so far as our corps is concerned, and it is so well surrounded with safeguards that I think it is hardly possible for the people who have the dealing out of the goods to manipulate them in any way. The daily takings, for instance, of the canteen steward, over the counter, are brought to the treasurer every morning.

2042. The treasurer being a non-commissioned officer?

—The treasurer being senior quarter-master of the division. At the end of each quarter the stock is taken of the grocery canteen, and at the end of each month in the beer canteen. As secretary there, after the stock was taken, I cleared away the stock books and kept them in my possession until the actual closing of the accounts of the period which the stock covered. At a certain time the man was ordered to close up and I struck a balance, having worked out the value of the stock, and so on, and he did not know whether he had paid too much or too little, he had no means of knowing. By doing that I think you have control over the man. He cannot on the last day of the month go down to the cellar, take his stock and take the value of it, and put it against the amount of money he has at the time and say, "I have so much and ought to have so much."

2043. (*Colonel Lambert.*) You said that the great object of your committee was to buy good articles at the cheapest rate?—Yes.

2044. Who are the judges whether the articles are good or cheap?—The President of the Canteen Com-

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mittee, who daily attends and sees the articles as they come in.

2045. He is by no means a specialist?—No, not at all.

2046. He judges as far as he can?—Yes.

2047. Therefore, not being a specialist, and judging from the point of view of common sense, he must of necessity often get articles which are neither good nor cheap, must he not?—No, I do not think that. The articles are sold as near cost price as possible from the canteen.

2048. I do not mean the selling; I mean the buying?—You mean that he may be paying more money than he need for the article. So he may; but he can only be guided by reference to the "Grocer" and other people's price lists.

2049. That would not help him, I take him, either as to the goodness or the quality of the things; because it is all a question of knowledge?—The articles are not complained about, I may say. The whole of the married officers deal at the canteen. I was always rather pleased at that; I regarded it as a security that the articles were good.

2050. It comes to the same thing, that the consumer is the security?—Yes.

2051. (Colonel Bridge.) You did not say who the servants in the canteen were?—Serving men.

2052. Men on the active list, you mean?—Yes.

2053. You do not suggest that the tradesmen supplying your canteen cut their prices so close that they do not make profits themselves?—I presume they make profits.

2054. I suppose you think, then, that it would be a good plan to have a system of supplying, by which the whole profits made would eventually find their way into the soldier's pocket?—That would be an advantage to everybody of course.

2055. (President.) There is one question with reference to beer in the supper room that I should like to ask you: In your opinion I understand it would be a good thing?—Yes.

2056. But before you would introduce a new practice that does not exist would you take measures to ascertain what the views of the men are who use the supper room?—Yes, I would suggest that.

2057. Because some of them may not even like the smell of beer?—Yes, quite right.

2058. Would you take a vote of the men?—Yes; I would take a vote of the men who attended the supper-room, whether they wished to have beer, or whether they objected to beer being there. I am quite of opinion that the supper-room should be made as attractive and as great a variety of articles supplied there as possible.

2059. Do you have entertainments?—Yes, there is a theatre where they have entertainments.

2060. Is that in connection with the restaurant?—No, nothing to do with it. There is a stage where they have a sing-song in the beer canteen; but there is a theatre apart from that.

2061. You are very well equipped?—Yes, very well.

2062. (Major-General Eaton.) What do the men pay for supper?—There is a regular tariff there; I cannot say. They may have cold beef or hot sausage, or bread and cheese.

2063. (President.) Do you see any reason why every barracks which is always full, although with changing units, should not have the same equipment as you have?—I do not see at all why they should not, it is one of the things I have always thought that, because the regiment changes, there is no reason that the accommodation of the barracks should change with it, that if the barracks were properly fitted up with all these various places round it the regiment would walk in and settle down comfortably. In fact I would even suggest that the staff of the canteen need not be changed with the change of the regiment.

2064. That you should have a permanent administration of the canteen?—Yes, that the employees should be pensioners from the Service, of course; and that because a regiment marched out and another came in there need not be any change in that staff.

2065. I think that is the view of other witnesses before the Committee; that you must have a permanent organisation?—Yes, and that does not seem difficult to manage.

2066. And each regiment comes in and employs its own supervising committee?—Yes.

2067. And whatever the practice is, whether you have the regimental system or the tenant system, or any new system not yet devised, you must always have your regimental officers closely supervising the action of the canteen?—Yes, certainly.

2068. (Major-General Eaton.) You have these rooms furnished by the Admiralty?—When the recreation room was built at Gosport there was an Admiralty grant of so much, and it is kept up now by subscriptions. The men pay 1d. a month towards it, and it is self-supporting in that way.

2069. You never have to take over barracks, but you would advocate the canteen being taken over in the same way that other quarters are?—Yes.

2070. By barrack damages paid on the property when a regiment goes out?—Yes, that the institution should not be disturbed on the change of the regiment at all, or the staff of those institutions.

2071. (President.) Then you do not see any difficulty in managing your canteen on that principle?—No, I do not at all. I think you should have an officer always as the secretary, of course.

2072. Let us just work it out. You have your permanent staff; the regiment goes out and a new regiment comes in, the permanent staff of your canteen is under the control of a regimental officer and his committee?—Yes.

2073. And it is exactly like a co-operative store of which the manager is always under the control of a committee appointed every quarter.

2074. That committee is continually changing?—Yes.

2075. So that there is no difficulty?—No.

2076. And a change of regiment ought to introduce no difficulty at all?—I do not see why there should be any difficulty about it at all.

2077. Then who would purchase under that system?—The regimental committee.

2078. The man in charge of the canteen has nothing to do with the purchasing?—In the Royal Marines he could not buy a box of matches.

2079. The regimental committee decide where they go to for their goods?—Yes, all orders are signed by the president of that committee; the orders are made out and laid before the committee by the secretary, not by the canteen steward. The canteen steward notifies the secretary once a week as to his requirements of stock there.

2080. Would you be in favour of having a committee of supervision over the canteen consisting, not only of a Lieutenant-Colonel and two subordinate officers, but a mixed committee including non-commissioned officers and men?—No, I would not.

2081. Why?—I would not go below the rank of warrant officer; you might have a warrant officer introduced into the committee so formed, but I would not go below that. I think it was tried in our corps and it all went wrong in some way or other; there was no agreement amongst the committee.

2082. You think the present practice acts better where each company is asked to elect a man who comes before the committee of officers to submit his complaint?—Yes, that happens once a month, and the men are not picked off parade to go there but absolutely elected by the men of their own company; and if they have a good grumbler in the company they will send him down.

2083. (Colonel Bridge.) Do they come forward?—Yes.

2084. (President.) And they speak without any reserve?—Yes, they speak without any reserve; they go before the committee and are told they need fear nothing at all if they have anything to say; and they are pressed and invited to make any complaints they like.

2085. And their representations have been of great help to the officers' committee?—Yes.

2086. Is there anything else you wish to say?—No, I do not think so. I have told you the lines.

2087. What is the per-centage of beer takings?—The profit on the whole thing is limited to 8½ per cent. By a Royal Marine Office Order you are not allowed to make more than 8½ per cent. on the whole turnover.

2088. On the wet and dry?—Yes, combined.

2089. (*Colonel Bridge.*) You have to so fix your prices beforehand?—Yes, you fix your prices in such a way, as you see the average profits going on, that they shall not exceed 8½ per cent.

2090. You make the greater part of your profits off the wet canteen?—Yes.

2091. And on the dry side you try to bring down your prices?—To as near cost price as possible. I should think I am safe in saying that you might calculate the profit on beer at 6 per cent. and the other at 2½ per cent., making 8½ per cent. on the whole transaction.

2092. What do you charge for a glass of beer?—1d. 3d. a quart for the beer; 5d. for the ale.

2093. What do you pay for your beer?—It is two years since I left there; I do not know what they are doing now; they were paying 31s. a barrel of beer and 48s. a barrel of ale.

2094. (*Major-General Eaton.*) Who supplies it?—Simmonds of Reading.

2095. (*President.*) Then you must make more than 6 per cent. upon your beer, do you not?—Yes, I suppose we would. We make 8½ per cent. on the whole; we keep the groceries as close to cost price as possible, and the profit is made on the beer.

2096. 8½ per cent. then on your turnover?—Yes. I should have said this is net profit, after deducting trade and working expenses.

2097. And limited by order to that?—Yes.

2098. (*Major-General Eaton.*) What happens to the unaccountable profit?—There is that of course, and you cannot keep the thing tight up to 8½ per cent., but you work as near as possible.

2099. If there are unaccountable profits they are shown?—Yes, the daily payments of the canteen steward show the actual amount of money paid in.

2100. (*President.*) I do not understand your 6 per cent.; what do you pay for your beer?—31s. the barrel of beer.

2101. What do you sell at it?—36s., 1s. a gallon; you make 5s. on the barrel of beer.

2102. What, at 1d. a glass?—If you work it out at a 1d. a glass, you make 1s. 4d. the gallon.

2103. I thought you said a 1d. a glass?—Yes, if a man calls for a glass of beer.

2104. But he does not drink more than a glass at the time, does he?—Yes, several men may go down together and have a quart or more. The glass business is not general among them.

2105. Is not that an encouragement to drink?—Yes, I suppose it is in a way.

2106. He gets 25 per cent. more beer if he buys a quart than if he buys it by the glass?—Yes. Of course the calculation at 1s. a gallon brings out that excess of profits if a great quantity of it is sold in glasses; that accounts for that "unaccounted for" profit in a way—call it the excess profits.

2107. (*Major-General Eaton.*) I suppose the brewer gives you something back for the waste?—Yes, the waste is always exchanged for good beer.

2108. You turn it?—No, it is sent back and a similar quantity is brought into stock as good beer.

2109. Then that shows as profit?—Yes.

2110. (*Colonel Lambert.*) You say 31s. a barrel you pay for 1s. beer?—Yes.

2111. Who fixed it that that was the cheapest rate at which such beer could be got?—I cannot tell you. That was the price running when I went into the establishment, and it has so continued. Whether it is the same now or not I do not know.

The witness withdrew.

Adjourned to Tuesday next at 11 o'clock.

FOURTH DAY.

At the War Office, Pall Mall.

Tuesday, 8th April 1902.

PRESENT:

THE EARL GREY, *President.*

GEORGE HARWOOD, Esq., M.P.
Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE, A.S.C.

Colonel J. A. LAMBERT.
Major L. A. M. STOPFORD, D.A.A.G.

Colonel BARRINGTON FOOTE, *Secretary.*

Mr. WOLDEMARE O. KENNETT and Mr. ALEXANDER WILLIAM PRINCE called in and examined.

2112. (*President to Mr. Kennett.*) Will you kindly state what your position is in Messrs. Dickeson's Company?—I am chairman and director of Richard Dickeson and Company, Limited, now.

2113. (*To Mr. Prince.*) And what is your position in the Company?—I am a director.

2114. (*To Mr. Kennett.*) We have had a good deal of evidence submitted to this Committee which leads us to believe that you are doing a large amount of business with the army?—We are.

2115. We have not had the contract which exists between you and the Commanding Officers submitted to us?—I have a copy of it here.

2116. I suppose you have a stereotyped form of contract?—Yes.

2117. Do they vary with different Commanding Officers?—According to the conditions of the contract.

2118. That is just the point we wish to have evidence upon—the conditions of the contract?—The principles are that we find the staff and put them to work the institutions. We agree to give a fixed rebate, which in a district varies a little, not much.

2119. About what is the rebate?—The rebate varies according to the district, from 2s. up to 4s., taking the general canteens all round. I have a list of all the canteens we supply here and the amount of rebate we pay. There is the general form of contract (*handing in the same*).

2120. We have been informed that, in addition to the rebate which you allow, you hand over all the surplus

*Major
J. Murphy.*
4 April 1902.

*Mr. W. O.
Kennett
and
Mr. A. W.
Prince.*
8 April 1902.

Mr. W. O.
Kennett
and
Mr. A. W.
Prince.

8 April 1902.

profits after working expenses have been deducted?—Yes. (Mr. Prince.) Paragraph 11 specifies that.

2121. "The tenants agree at the expiration of three months from the date of this agreement, and at similar intervals during the continuance of the same, to produce a balance sheet, certified by chartered accountants, for the inspection of the Officer Commanding, and should any surplus profit have accrued on the retail trading in the above-mentioned institutes, after paying rebate, expenses of inspection, supervision and accountants' charges, to pay the same to the Officer Commanding. The tenants guarantee that such expenses, charges, &c., shall not exceed 2½ per cent., calculated upon the gross cash takings. It is understood that any loss arising from any cause in any one month shall be deducted from the surplus profit made in any subsequent month, it being always provided that the amount of rebate shall not be smaller than the specified amount." (To Mr. Kennett.) How do you define those words, "surplus profit"?—The profit that remains between what an article has realised retail and what it costs wholesale, after deducting working expenses.

2122. Then you debit the canteen with the wholesale price?—We debit the canteen with the wholesale price.

2123. How do you arrive at that wholesale price?—That is our printed wholesale list which goes round to every canteen; it is sent to every district (*handing in the same*).

2124. But only to the canteens?—Only to the canteens.

2125. Have you a special price for the service of canteens?—Yes, because carriage and all expenses are paid; whereas with the wholesale trade the man buys goods on the spot where they are lying, either ex-wharf or ex-warehouse.

2126. What is the difference between the wholesale price to canteens and the wholesale price outside?—The difference of carriage. And another thing, with the ordinary wholesale trade a man buys his goods at the price they are at the moment he buys them. There may be a difference in price between the morning and afternoon; there is very often market alterations in prices every day.

2127. And for the canteens it is the same price for the whole year?—Per month. We are obliged to do that in order to keep to the system of keeping the canteen accounts; we could not vary the prices every day as the market changes, with a regimental canteen; that would complicate their system of keeping accounts. I do not know whether you have seen a regimental canteen account. Each article has a column to itself, and in that column is entered the quantity of the article supplied, and that is totalled at the end of the month; any alteration in price during the month would necessitate an extra column for each alteration of price.

2128. Where does your profit come in, to the firm?—We get our wholesale profit, the difference between the price we buy the goods at and the price we sell them.

2129. I suppose we may assume that, as business men, you do not go into this business from motives of philanthropy?—Certainly not.

2130. You go in to make a profit?—Yes, we get what we originally were getting, our profits as wholesale grocers and provision merchants. With regard to giving back the surplus profits, that is an arrangement which began last November with two regiments at Dover in the Dover district, and the remainder of the regiments on the 1st of December; and in order to get our accounts properly audited and in their quarterly arrangement, March, June, September, and December, we have made the first quarter to contain four months; those accounts are now being audited by our auditors, and we hope to have the result in a week. I could send it on to you. But with reference to the two accounts we made up to the end of December just as an experimental account only, I may say that the provisional battalion at Shorncliffe received a surplus on the two months of 21l. 1s. 5d., and for the provisional battalion at Dover, 60l. 7s. 5d. The provisional battalion at Dover had a mounted infantry company of men going to the war; owing to a delay in embarkation there was a large number of men doing nothing, and they spent some of the time in the canteen, I think, because the beer sale was a large item.

You will understand that when men are going away on foreign service there is no doubt a bigger trade done then. The beer sales have not been so large since those men went away.

2131. But you do not supply the beer, do you?—Yes; we are tenants of the beer canteen as well.

2132. Does not the Commanding Officer give you instructions from what brewery to obtain the beer?—Yes.

2133. And you are retailers of beer?—Yes, for the Commanding Officer.

2134. Who makes the contract with the brewer?—The Commanding Officer.

2135. As to price?—No, he leaves that to us.

2136. He merely selects the brewer?—Yes.

2137. And you fix the price?—Yes; we always put in a clause that it shall be the market price, or that he shall allow us to nominate another brewer. (Mr. Prince.) That is under paragraph 8.

2138. "The tenants agree to sell at the canteen" malt liquors, &c. brewed by so-and-so. (To Mr. Kennett.) That is your contract with the Commanding Officer?

2139. But the price at which you purchase the liquor is the market price?—Yes.

2140. That is the arrangement with the brewer?—Yes, we take the prices of Burton firms as a standard, or any large local brewery.

2141. What do you call the market price now?—The average is about 24s.

2142. Is that the price at which he supplies beer to a public-house?—No, they get more from the public-house—more like 28s. or 31s., I should think.

2143. He sells it to you at less than the price he debits his own public-house?—Yes, he has no other expenses; he just delivers the beer, and gets the money every month.

2144. You do not follow the same principle in regard to your groceries in connection with the canteen, do you?—Yes.

2145. That you debit in exactly the same way as the brewer debits the tied house, with a higher price than he can get in the open market?—No; the canteen is not tied, and costs nothing for premises or goodwill.

2146. Yes, it is tied to you?—No, only for a month; the Commanding Officer is free to go next month anywhere he likes; it is a month's notice to terminate.

2147. It is not the practice, I suppose, of Commanding Officers to shift and change about?—Yes, we do get changes. We keep that wholesale list; there are lots of regiments still supplied on the regimental system, and we submit our prices to them every month, and send a copy of that list to every brigade office and inspector of canteens every month, and at the same time we issue a circular pointing out the market changes and the reasons for it. That we take as the basis for the charges of a tenant canteen.

2148. Thus you secure continuous custom?—Yes. Here is a list of all the canteens we have on the tenant system, made up to the end of last month, with the amount of rebate against each, and also a list of those supplied on the regimental system.

2149. We had better have them put on the notes?—If you please.

LIST of CANTEENS supplied by Messrs. Dickeson and Company, Limited, on the Regimental System at Home and in Gibraltar.

STATION.	UNIT.
<i>London Branch.</i>	
Bedford	Bedford Regiment Depôt.
Bury St. Edmunds	Suffolk Regiment Depôt.
Old Brompton Barracks,	Royal Engineers.
Chatham	Royal Sussex Regiment Depôt.
Chichester	Wiltshire Regiment Depôt.
Devizes	Dorchester Regiment Depôt.
Dorchester	Royal Fusiliers and Middlesex Regiment Depôt.
Hounslow	Royal Field Artillery.
Ipswich	East Surrey Regiment Depôt.
Kingston-on-Thames	1st Life Guards.
Knightsbridge Barracks, W.	Royal Garrison Artillery.
Sheerness	Do.
Shoeburyness	Do.
Warwick	Royal Warwick Regiment Depôt.
Weymouth	Royal Garrison Artillery.
Do.	Royal Engineers.

LIST of CANTEENS supplied by Messrs. Dickeson and Company, Limited—*continued.*

STATION.	UNIT.
<i>London Branch—cont.</i>	
Winchester - - - -	Hampshire Regiment Depôt.
Woolwich - - - -	Royal Field Artillery.
York - - - -	West Yorkshire Regiment Depôt.
Worcester - - - -	Worcester Regiment Depôt.
<i>Portsmouth Branch.</i>	
Portsea - - - -	Royal Army Medical Corps.
Clarence Barracks, Portsmouth	Royal Garrison Artillery.
Gosport - - - -	Rifle Depôt.
Port Rowner, Gosport - - -	Royal Garrison Artillery.
Port Grange, Gosport - - -	Do. do.
Fort Monckton, Gosport - -	Royal Engineers.
Fort Brockhurst - - - -	Discharge Depôt.
Hurd Castle - - - -	Royal Garrison Artillery.
Sandown, Isle of Wight - - -	Do. do.
Golden Hill, Isle of Wight -	Do. do.
Netley - - - -	Royal Army Medical Corps.
Milldam Barracks - - - -	Royal Engineers.
Hillsea Barracks - - - -	Royal Field Artillery.
<i>Dover Branch.</i>	
Shorncliffe - - - -	22nd B.D. Royal Field Artillery.
Somerset Barracks, Shorncliffe	3rd Provisional Regiment Dragoons.
Soldiers' Institute, Dover -	
Prince of Wales' Institute, Canterbury.	
Archcliffe Fort, Dover - -	Army Service Corps.
<i>Liverpool Branch.</i>	
Ashton-under-Lyne - - - -	Manchester Regiment Depôt
Burscough - - - -	Army Ordnance Corps.
Bury - - - -	Lancashire Fusiliers Depôt.
Fleetwood - - - -	Royal Garrison Artillery.
Preston - - - -	North Lancashire Regiment Depôt.
Carlisle - - - -	Border Regiment Depôt.
Lancaster - - - -	Royal Lancashire Regiment Depôt.
Lichfield - - - -	North and South Stafford Regiment Depôt.
Warrington - - - -	Liverpool and South Lancashire Regiment Depôt.
Leeds - - - -	Royal Field Artillery.
Shrewsbury - - - -	Shropshire Light Infantry Depôt.
Wrexham - - - -	Royal Welsh Fusiliers Depôt.
<i>Aldershot Branch.</i>	
Cavalry Barracks, Aldershot -	4th Provisional Regiment Dragoons.
Do. do. - - - -	3rd Provisional Regiment Hussars.
Do. do. - - - -	Cavalry Brigade Canteen.
<i>Dublin Branch.</i>	
Curragh Camp - - - -	Army Service Corps.
Naas - - - -	Royal Dublin Fusiliers Depôt.
Curragh Camp - - - -	2nd Liverpool Regiment.
Do. - - - -	2nd Provisional Regiment Dragoons.
Do. - - - -	1st Provisional Regiment Hussars.
Birr - - - -	Leinster Regiment Depôt.
Limerick - - - -	1st Yorkshire Light Infantry.
Clonmel - - - -	Garrison Canteen.
Galway - - - -	Connaught Rangers Depôt.
Armagh - - - -	Royal Irish Fusiliers Depôt.
Lusk - - - -	Remount Depôt.
Omagh - - - -	Royal Enniskilling Fusiliers Depôt.
Dublin - - - -	No. 5 Depôt, Royal Field Artillery.
Do. - - - -	21st Lancers.
Do. - - - -	Army Service Corps.
Do. - - - -	Royal Army Medical Corps.
Do. - - - -	4th Warwick Regiment.
<i>Gibraltar Branch.</i>	
Barracks - - - -	1st Royal Berkshire Regiment.

2150. What is your turnover?—I may explain that our business is not entirely a military one. We do a very large wholesale business supplying shops.

2151. Can you give us your turnover in connection with the canteens?—No.

2152. Do not your canteens furnish you with returns as to their turnover?—Yes, we get all the cash; we could extract it; it all goes into our cash book.

2153. Without any difficulty I think you could do that?—I daresay we can. We do not keep it separate; it is all a wholesale trade, and a good deal of the canteens' returns, as in the case of tenant returns, where the beer is a large amount of the returns, on which we practically make no profit; you could hardly call it a return for that purpose. But our total returns last year were about a million.

2154. (Colonel Bridge.) Military and civil?—Military and civil. We have 25 commercial travellers out calling in different parts of the country on shops.

2155. You cannot roughly compare the military trade with the civil trade?—No, it is so mixed up in the working-expenses, foremen's expenses, and so on.

2156. So you have no idea what the proportion of military trade to the civil trade is?—No; but I could extract it.

2157. You say you give all surplus profits, and you are content with your wholesale profits. I suppose

there are profits on the beer, are there not?—The profits on the beer go into the account.

2158. But you do make profits on the beer?—Not ourselves personally.

2159. So that although you have a brewer who sub-contracts to you to supply beer for the canteen, you get no benefit out of that sub-contract?—No, the brewer does not sub-contract; he is merely supplying us as a producer; we are buying his article.

2160. Then to whom does the profit on the beer go?—To the regiment.

2161. Is that a separate account?—In fixing the rebate, as you see, at so much per head, we estimate what the profit on the beer is going to be.

2162. But it does go towards paying that?—Yes; and, as a matter of fact, the principal part of the rebate comes out of the beer.

2163. There is a profit made by you out of the beer?—No, not by us. What profit we make we hand to the Commanding Officer. It goes back partly in the form of rebate which we guarantee and the balance.

2164. You say you practically change your prices every month?—Yes.

2165. But in the case of the Aldershot First Brigade canteen, which recently got a contract, you fixed the prices beforehand for the whole period?—Yes, that is a contract for a certain time.

2166. And you guaranteed 4s. per man for the month?—Yes.

2167. Therefore in that case the charges of market prices work for or against you, as the case might be?—Yes, we have to take the risk of that. And there are contracts, like the Western and North-Western Districts, where the prices are fixed by contract for 12 months.

2168. You do not confine yourselves entirely to canteens; you also do a trade with the officers' messes?—Yes.

2169. Is that a remunerative trade?—Yes, a very good trade.

2170. Alone, standing by itself, it is a good trade?—Yes.

2171. You, I see, have distinctly the largest trade of any outside trader?—I believe we have.

2172. Would it be going too far to ask you to what you attribute your success in capturing a great portion of the trade?—To the fact that from the first time we began to supply canteens we supplied on wholesale terms: when the canteen system was first established, I think the first customer to apply to us was the old depot battalion of Walmer. I am talking of when canteens were first established after the abolition of the old tenant system. Dickeson and Wood, as the firm was then, were wholesale grocers, supplying shops in Deal, Walmer, Folkestone, and all that neighbourhood, and the president of the new canteen took the coach to Dover, to ask Dickeson's whether they would supply him on wholesale terms, and he was told they did not care much about it, but they would think it over, if he liked to call again, and let him know. That is rather amusing in face of the severe competition that goes on now for canteen tenants. However, we did take it, and from that began the canteen trade. First of all it was confined to one part of Kent, Dover, Shorncliffe, and Walmer; then gradually, as regiments moved away into other districts and they found that the man supplying was a retailer, they used to send orders on to Dover, which either used to be executed either from our London branch or from Dover, according to circumstances. Then we always took advantage of having a regiment or two in a certain district, to establish a wholesale place there, because one trade helped the other; and so the trade began to be built up.

2173. Then practically out of your wholesale profits you have to pay the surplus to the canteens and your shareholders?—No; we keep our wholesale profits, because we debit the accounts with the wholesale price of the goods.

2174. The wholesale profits are what you pay your shareholders?—Yes, which is practically a brokerage; I suppose it is from 2 to 2½ per cent.

2175. So far as those wholesale prices go, I suppose you fix what they are by adding on the carriage?—Yes.

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2176. And you add them to your import prices—the actual cost of your imports?—Yes.

2177. And there is no other difference between the wholesale and canteen prices than the carriage?—Yes; there is the return of empties, and the averaging of cost of goods for a month.

2178. You allow for all those points?—Yes, we have to reckon that now to simplify the thing for the canteen inspector, who requested us to fix our prices for the whole of England and Wales.

2179. So that you have to take a widish margin?—Yes, we take a wide margin; but that is an advantage which acts for and against, and there is in our wholesale price in the average market value.

2180. Of course the lower the wholesale price the greater is the profit to be returned to the Commanding Officer?—Yes.

2181. What security has the soldier that your wholesale price is as low as possible?—The soldier only has a security in the retail prices.

2182. The basis of his profit is the wholesale price debited to the canteen?—Yes.

2183. What security has the soldier that that wholesale price is as low as it would be in the case of competition?—By comparing our prices with those of our competitors.

2184. And is it the practice of the Commanding Officers to compare your price lists very carefully?—Yes, most canteen presidents of late years have always taken the "Grocer" the trade journal that shows the market prices of every class of goods. Then there are other competitors in the trade, like the Army and Navy Stores, Lipton's, and the Canteen and Mess Society; there are always their prices to be compared against ours.

2185. How do your prices compare with the Army and Navy Stores?—Rather to our advantage.

2186. You charge lower prices?—Yes. It is not generally thought so, but our business has been done exceedingly close, and to the dissatisfaction of our auditors and accountants. And all the profit on our turnover last year is only about 2 per cent., not 2½ per cent.

2187. To your firm?—Yes.

2188. That is the wholesale profit?—Yes, that is the profit the firm made out of all its trading.

2189. (Mr. Harwood.) How often do you turn over your capital in the course of the year?—We turn it over about four times, I suppose.

2190. A quarter of a million would be your capital for a million turnover?—225,000l.

2191. (President.) That is about 10 per cent. you are making on your capital?—Not far short. We paid 8 per cent. last year. We made about 10 per cent., that is only common brokerage. If you get a broker in the City of London to buy he would not do it for less than 2 per cent.; 2½ per cent. most of them get; some of them get 3 per cent. So that as regards competition we have no fear of it. We do not say that no one can do as well, but we say no one can do better. The total amount of rebate that we paid last year to tenant canteens was 41,367l. 13s., profit returned to the Commanding Officers, in lieu of profits that they would have made themselves had they worked the canteens regimentally.

2192. How is the amount of that rebate calculated?—On the list I have given you.

2193. It is 3s. per man?—Yes, and some 4s. and some 2s.

2194. And how do you arrive at that figure?—That is the total amount of cheques paid out.

2195. I am aware that it is the total, but how did you arrive at the figure of 3s. per man as being the proper rent for you to pay for the canteen. That is what I understand it is?—Before a colonel would give us his canteen on the tenant system, he would show us his books, and say: "Here is our profit; we make so much on the beer bar, and so much on grocery; that works out, according to the strength of my regiment, to so much. What are you prepared to do?" And we always find it pays us to give at least as much as they have been making.

2196. Your expert management enabling you to reduce the outgoing expenses?—Yes; and we always

do more trade in the grocery bar than the regiment does.

2197. How?—The ordinary regimental waiter is a man with his blue shirt and sleeves turned up; he has not been brought up to it, he is not nice in his attention—rough and straightforward. Our men are always in white; they are grocers' assistants, and they try and sell other goods to the married people. And, besides, we increase the quantity of goods kept.

2198. There is more variety of choice to the soldier?—Yes, more variety; more things that married people want—a greater variety of goods.

2199. You push the sale of your wares?—Yes.

2200. And you study the wants of your customers?—Yes, we study the wants of our customers.

2201. The aim being to give a willing, obliging, civil service, and with everything the soldier can want and afford to pay for?—Yes; so our takings have increased very much, and do increase.

2202. Since you contracted to serve these canteens, and these regimental institutes, have your sales increased?—Yes, they have.

2203. Have you got any figures to show how your takings have increased?—All we can tell by is what the amount used to be with the regiment and the amount of goods that we are selling ourselves.

2204. With the consumption per head?—Yes.

2205. Have you any figures showing the consumption per head?—No; it depends upon so many things: 100 men may go away this week and 120 come in next week. That is our own experience.

2206. Is it your experience of canteen management that you have to provide for a fluctuating number?—Yes.

2207. Or may the numbers keep pretty continuous?—No, they fluctuate.

2208. The men change?—Yes.

2209. But are not the numbers pretty much the same?—Some regiments send a draft of 200 away, and those men are replaced 20 or 30 at a time.

2210. You have to provide at one centre for 100 men this week and 1,000 the next week?—Yes.

2211. But the average surely does not vary?—The average does not vary very much. It has been very small recently owing to the war. The only place where we have carried on a purely military trade was in Plymouth, and we took it over there on a system of showing just what the district could earn under contract.

2212. (Colonel Bridge.) You took the contract for the whole Western District, did you not?—Yes, and we lost money for the first 12 months, and we lost money the following six months. Then I applied to the General Officer Commanding to do away with the system of paying a per-centage on the takings, and giving them the balance and keeping our place exclusively for military trade, so that the whole of the books could be examined by anybody, they being perfectly plain. I pointed out that unless we did some other business we must continue to lose, and must give up the trade or reduce the rebate, but that if we were allowed to do a wholesale trade and send out travellers into Cornwall and Devon we could make the place pay. We have done that from the beginning of the year, and we are making the place pay.

2213. Is it only a canteen trade, that Western District trade?—It was only a canteen trade, but from the 1st of January we have had travellers out, and, of course, we are doing a very much larger trade at the same expense of management, rent, rates and taxes, practically with an addition of, I think, one man to the warehouse staff.

2214. (Mr. Harwood.) You do not get any profit as retailers; you simply have your working expenses?—Yes, now, under this new system.

2215. Now, supposing a person comes to your warehouse and buys in the ordinary wholesale way, it is much less trouble to you than doing all this business of retailing to the canteens. It is a very complicated business that you seem to do for nothing except cost out of pocket?—Yes, but it ensures us a wholesale customer, do you not see.

2216. But it seems to me that as a business man, I should want to charge that customer who takes so

much trouble from me, a higher price than I should charge an ordinary wholesale customer who came and bought in the ordinary wholesale way. The orders that you get from your travellers give you much less trouble than the canteen system, with its complicated book-keeping?—No, we do not think so.

2217. It is obvious, I think, from all the figures you have submitted to the Committee, and the system you have shown, that you do the whole work, engage the assistants, and manage it all, and it is all done for nothing?—It is not done for nothing. We should not get those wholesale customers if we did not do it.

2218. But you surely expect a higher price from wholesale customers who give you trouble than from those who do not?—But you do not get it in these days of competition. With the wholesale customer we have to send a traveller to see him, get his orders home and entered and put up in the various departments in the warehouse loaded on to the wagons, disputed accounts and liability to bad debts, which we never get in the military trade.

2219. I want to get at what is your return; either you must charge these canteens a higher wholesale price than you would sell to me at if I came to your warehouse and paid you ready money, or it must be that you get some other advantage from them, either quick returns or security of the money. What is the inducement?—The inducement is the increase of business in getting a larger number of wholesale customers to support the establishment expenses.

2220. And that is all?—That is all.

2221. We may take it then that you put those canteen customers on as good wholesale terms as anybody else?—Yes.

2222. You do not expect to get a higher price from them in return for all this additional trouble?—You would not do it if you wished to do it, in face of this present competition and which has always existed for the canteen trade. I have known it 30 years, and there has always been some one fighting us to get it.

2223. But men do not usually fight for trade unless it pays well?—Of course not; it does pay.

2224. Where does the pay come in?—Out of the profit we make.

2225. Do you make the same profit out of the ordinary wholesale customer?—Yes.

2226. It is easy enough to publish a wholesale price on any scale, but are they treated as well as an ordinary wholesale customer would be treated?—Yes, they are. I showed you just now a list of regimental customers who are at liberty to deal where they like, but who do deal with us.

2227. You mean that they are not tied by any contract?—No; they can send us an order to-day, or send it when they please.

2228. And such customers are put on exactly the same scale as the customers you have under contract?—Yes, that one price list goes out to all our places, and all our pricing clerks work by it.

2229. No matter whether it is a contract customer or some other customer?—No, not a bit. That is the basis of all our working.

2230. Another question now with regard to the servants you employ in the different canteens: are they ordinary grocers' assistants, or are they old soldiers, or is there anything to qualify them? Are they just ordinary grocers' assistants whom you would put into a shop?—For the grocery bar, where the goods need the handling of an expert, we always employ grocers' assistants; sometimes they are soldiers—men who have had experience as grocers before they joined the army, or men who have had experience in their own regimental canteen. For beer bars and wherever else we can we always employ military men. At the present time out of our employes there are 275 men in our employ who are either reserve men or pensioners.

2231. (President.) What is your total strength in the canteens?—1,092 on the last day of the month.

2232. Out of whom one-fourth practically are old Army men?—Old army men and reservists. We have a lot of men who are away at the war. Since our men went away to the war from the reserves, we have paid their wives half-wages all the time they are away,

and we are still paying it. The total amount up to the end of March was 712*l.* 18*s.* that we paid those women.

2233. (Mr. Harwood.) May I ask what the scale of pay runs for these assistants whom you employ in the canteens?—From 3*s.* to 4*s.* a day.

2234. And nothing found?—Yes, we find some of them.

2235. What do you find?—If it is a camp and the men are away from home, we find them food and lodging; and where we are engaging single men in some grocery bars we always board and lodge them, but a man would not get the same pay if he had his food and lodging.

2236. What would he get if he did not get either food or lodging?—From 4*s.* to 5*s.* a day. The hours are very long.

2237. That is either in the beer bar or the grocery bar?—Yes; but where we have a canteen manager looking after beer bar, supper bar, and grocery bar, some of them get as much as 6*s.* a day.

2238. In regard to the discipline that these men are under, we have had some evidence about the difficulty of officers in the canteens keeping order, and so forth. What are your terms in regard to the control of your men in that matter?—That the Commanding Officer has the right to ask for the dismissal of any man. We do have cases where the Commanding Officer objects to so and so. (Mr. Prince.) Paragraph 4 refers to that.

2239. (President.) Yes: "The hours of business, quality, description, and prices of all articles sold, to be subject to the permission and approval of the Officer Commanding, or an officer appointed by him"?—And paragraph 3 deals directly with the servants.

2240. The Officer Commanding can instruct you to remove your bar tenderer at a moment's notice?—Yes.

2241. (Mr. Harwood.) Does that apply to the grocery stores?—Yes, it does—to any man.

2242. It amounts to dismissal, then?—Yes.

2243. (Colonel Bridge to Mr. Kennett.) Can you put in a copy of the Western District contract?—Yes, I have a copy here (*handing in the same*.)

2244. (Mr. Harwood.) There is another point that I should like to make clear, and that is, that there is a Canteen Committee in most of these places. What relationship does that Committee hold to you: what have you to do with it, first in regard to quality of goods supplied? Do you submit samples?—Paragraph 4 deals with that.

2245. How are you kept up in quality: supposing you make a contract for a year, what security is there?—You will see in paragraph 4 how we provide for that.

2246. "No alterations to be permitted without his consent," that is, the Commanding Officer. I am not thinking of where you are asking permission to make an alteration in quality, but of the possibility (if you will pardon my suggesting it) that alterations are made sometimes without permission. What check is there upon you?—There is a price list of all goods sold in the canteen hung up in every bar signed by the Officer Commanding.

2247. I know: but there are different qualities of tea, for example. You may say the price is 1*s.* 6*d.* a lb., and may begin to supply at 1*s.* 6*d.*, and then you may gradually substitute 1*s.* 3*d.* tea. I am not supposing that you would?—But, first of all, if we did, the men would complain about the alteration in the quality in their messing. They are very quick to complain. And, in the next place, the married people would cease to buy.

2248. (Colonel Bridge.) The men's palates are hardly so delicate that they would distinguish between 1*s.* 5*d.* and 1*s.* 6*d.* tea, are they?—It would be rogery; and any firm found out would deserve to be kicked out, and would be kicked out.

2249. (Mr. Harwood.) It is not necessarily rogery. For instance, you have informed the Committee in conversation, which was not reported, that the three directors are the expert buyers of your vast business?—Yes.

2250. Do you three directors divide your business between the enormous number of articles; are some of

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you experts on one kind of article and some on another?—We have been brought up to the trade all our lives, and we know pretty well everything; I can handle anything. We may divide ourselves on the market; I may take grocery and fruit, and Mr. Prince provisions, or *vice versa*.

2251. But do you mean to tell the Committee that any one of you is sufficiently an expert for all the things in your list?—Quite so; I can manage to tell you the difference between teas of only 1d. in a lb. difference in price.

2252. (Colonel Bridge.) You would call in a tea-taster, I suppose, if you had any difficulty?—We can do it ourselves; you can go along blindfold when you are used to it, and tell the difference of a $\frac{1}{2}$ d. a lb.

2253. (Mr. Harwood.) You mean that the next check to you is the taste of the Tommy, as keeping you up to the mark?—Yes, it is the taste of your customers; they soon find out; men or women, day after day, drinking tea notice it, and complain in no time.

2254. (President.) Then so far as your dry canteen is concerned your remuneration for all the trouble you take is about 2½ per cent. on your turnover?—Yes.

2255. Which pays you between 8 per cent. and 10 per cent. on your share capital?—Not always that, but still it gave that result last year.

2256. Take the wet canteen, what commission do you get on the sale of liquor from the brewer?—No, we do not charge commission on the brewer; there is the 3 per cent. waste of course, but that waste is lost, as you know.

2257. (Colonel Bridge.) You pay a certain sum per man per month to the Commanding Officer?—Yes.

2258. Does not the profit made on the beer enable you to do that?—Yes, principally.

2259. (President.) I do not understand that. You realise no profits?—Not on the beer.

2260. You buy it at 24s. 2—Yes, and sell it at 36s. You could not pay a rebate of 3s. a man on groceries, or a fourth of it; but what we take over is the regimental canteen, which hitherto has made its profit on its beer. There has always been a large profit made in regimental canteens.

2261. It is your interest, then, to push the sale of liquor as much as possible?—No, on the contrary; we get no wholesale profit on the beer, but we do get a wholesale profit on the grocery.

2262. (Major-General Eaton.) What actual profit do you make on the beer?—We make no profit on the beer.

2263. Take the Chelsea Barracks canteen; you give them there a rebate of 17l. 10s., and the beer is supplied by Ind. Coope. You pay Ind. Coope simply the contract price?—Yes, the contract price for the district.

2264. And you make a profit by the sale of it?—Yes, there is a profit made in the retail; that is what that 17l. 10s. comes out of.

2265. You do not go so far as to say that you make no profit out of the beer at all?—Personally, we do not; the regiment does.

2266. But you do in this way, because you pay your rebate out of it?—Yes.

2267. You could not pay the rebate without?—No; but it leaves us nothing for ourselves.

2268. But you pay the rebate out of it?—Yes, we take the difference between the wholesale and retail profit to provide the rebate.

2269. You undertake to pay 3s. 6d. to Chelsea as rebate?—Yes.

2270. To pay that you have to make a profit on your beer?—Yes.

2271. So that it is equivalent to your making a profit yourselves?—No, it is not, because we make a profit somewhere else.

2272. It is a distinction without a difference?—No, it is not.

2273. To make up the profit to the soldier, you have to make a profit on the beer.

2274. (President.) To save yourselves against loss, it is absolutely necessary for you to sell a certain amount of beer?—We should not have a loss, because we should

find at the end of the month that the profit had gone down, and we should show that to the Commanding Officer.

2275. And it is absolutely necessary for you to push the sale of beer?—No, it is an assured fact before we take it over.

2276. But you could not pay the rebate unless you sold the beer?—No, no regiment would earn the rebate or make the profits they do now if they did not have a beer trade.

2277. (Major-General Eaton.) We know that; but actually the rebate is made out of the profit on the beer, which is equivalent to what the old regimental canteen did in making their profit and putting it in their own pocket instead of leasing it out to contractors. It is the same distinction without a difference?—I cannot agree with you, because it is not so really. Our interest lies in getting some profit for ourselves, and we can only make a profit on our own goods. If you do not mind my telling you what happened at the Army Service Corps at Aldershot, for instance, when we were invited to tender or asked to tender for the Army Service Corps at Aldershot; we saw their books and the amount of beer sales for the twelve months; we also saw the average of men in the corps for that twelve months for the first time; and by dividing those profits by the number of men, we saw that the corps itself had been earning so much per head. We knew that if they had made that we could do the same, and we therefore based our rebate which we allowed them on that.

2278. (Colonel Bridge.) On their beer sales?—Yes, on the beer and grocery sales. Then after we had taken it over the malt liquor sales went down from 22l. a day to 16l. a day, and fell to 12l. a day last year, 1901; but the dry canteen takings went up from 7l. a day to 13l. a day. And when we took over that supper bar we were told that the average suppers per night were about 40; we never have less now than 400 to 600, and on pay nights and Saturday nights we get 800 suppers served from that place. We are making our wholesale profit on all those goods sold in the supper bar. We have a photograph of that bar which I thought might be interesting to the Committee (*handing in the same*).

2279. (President.) Those figures go to show that it is to your interest to push the dry goods rather than the wet goods?—It is entirely our interest, and I have drawn up a scheme which, with your permission, I will read to you, which would entirely safeguard it.

2280. Before you proceed to your scheme there is one other question I should like to ask you. What is the difference between your organisation and the working class co-operative association that has its wholesale departments in Manchester and London? As I understand, the broad difference between your society and the working class co-operative movement is that the co-operators are content with 5 per cent. dividend and then return everything else to their purchasers in proportion to their purchases, while you by your own evidence make over 8 per cent. ?—Yes, a little more.

2281. Do you think it would be possible to organise a distributive system to supply the army canteens which would save that 3 per cent. ?—No.

2282. Which you put in your pocket and the co-operators do not?—You would not save it. You would not get men to work the hours we do, to begin with.

2283. Is it not a question of payment?—No; you have taken away the personal interest. You are substituting wages for piece work.

2284. We have had evidence tendered by you to us privately which we have not put upon the notes, showing what is the inducement to you to give all the work that you do?—Personal interest—payment by results.

2285. Why should not we give a similar inducement to the expert brains that manage the co-operative organisation?—If you pay them by results you would have to pay them as much as we pay ourselves.

2286. Why should we not, and yet save the 3 per cent. ?—Then what benefit are you going to get?

2287. The 3 per cent. ?—No, we have that, and you would have to give it away to obtain the same results.

2288. We will have to make it before we pay it?—Of course you will not make it. Would you mind my telling you why. Leaving ourselves out of it, I have watched these things closely. Where the co-operative

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societies succeeded is that the original working man went to a little shop in some street and took credit; then there were bad debts, and the man was a small man. Then you found men congregating together to buy and pay cash for their purchases and no longer have credit. And that system, in comparison with the poor little man with a small trade, secured a margin, which they handled, and then they saved. But you do not suppose that co-operation would have succeeded so much as it has done if they had all the while had the benefit which they now can have of what we call the large trading companies, I mean like the International Tea Company, Harrod's Stores, Lipton's, and all these companies, which put one shop into every town, and are content if they can make 2*l.* per week out of that one shop in those towns. Those firms' prices will compare with any co-operative society you like. (*Mr. Prince.*) They are lower. (*Mr. Kennett.*) But you see there, the small profit going back with other branches makes them a very handsome thing on the whole. There is Kearley and Tonge, who have over 400 shops about the country; these shops have grown up, you see, practically in competition with the co-operative societies; co-operation has done them good, and they have done co-operation good. If you take any co-operative organisation—we have them in Dover, a splendid co-operative society there, which grew from a little thing, and if you take any of its prices—and they get 2*s.* 6*d.* on every pound they spend—if you deduct that from the amount and then put the net prices against one of the large retailers, you will find that there is no difference; but it makes the workman save it, and he gets at the end of his quarter his dividend to put away.

2289. You do not think he is getting more for his money?—He is not.

2290. But he is getting a deferred interest?—For which he subscribes.

2291. He saves money by subscribing unconsciously?—Yes, but compared with the little shop it has been an immense advantage to the working man, of course. All those co-operative societies have the Wholesale Co-operative Society with which they deal—the parent society. It is really a very fine organisation. So far as practicable they do everything themselves; they are producers wherever they possibly can be; but in competition with the wholesale trade they are no better. We do a large trade with retailing co-operative societies, everywhere. They make it a rule that if our price is the same as the Wholesale Society to give them the preference; so our trade is done only where it is a little cheaper; we go on the principle that if you cannot earn 10*s.*, earn 5*s.*; it is better than nothing.

2292. I want to follow that share dividend with you a little further. You admit making 8 per cent. on your capital?—Yes, we did last year.

2293. (*Mr. Harwood.*) I should like to ask this question before you follow that. The 8 per cent. is made upon what I say is the nominal capital?—It is not 8 per cent., it is only 7 per cent., because half of that capital is Preference 6 per cent. shares; it is 8 per cent. on the balance. It would average 7 per cent.

2294. (*President.*) What is your capital?—225,000*l.*

2295. (*Mr. Harwood.*) I do not know anything of your concern in particular, but I believe it is like most other concerns that are made into a company, it is a good deal watered?—Yes, goodwill.

2296. I daresay I should not be exaggerating if I say that really the amount of money put into the business is not more than half that?—Yes, the goodwill is 61,000*l.*

2297. You say 61,000*l.*, and shares are given up to 225,000*l.* I should say 150,000*l.* would (I am only judging from your turnover) fairly represent all the actual money put into it?—No, rather more than that.

2298. This makes it more than 8 per cent. ?—Yes.

2299. (*President.*) More than 10 per cent. on the actual money invested.

(*Mr. Harwood.*) Yes, I think you may say 10 per cent. on actual money put into it?—Yes. On the other hand, if we sold that business we could get that goodwill. It is an asset just as long as we keep it going, and no longer.

2300. (*President.*) The point I wanted to ask you to give your renewed consideration to is this. Take

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Mr. Harwood's deduction, bringing the capital actually invested in the business to 150,000*l.*, say, in broad figures, and making 10 per cent. upon it, by charging 2½ per cent. commission on your turnover, I say the difference between a co-operative concern run in the interest of the soldiers and yours is 5 per cent.; that is over 10,000*l.*, dealing in rough figures: do not you think it would be possible for us to secure expert management equal to your own if we were to spend a great portion of that 10,000*l.* to make it the interest of the men to give the same trouble and research, and the same untiring industry to purchase the goods that you sell that you three directors do?—No, because you cannot get the training that we have had. We bought our experience at a good deal of cost to ourselves.

2301. Still, we could utilise that 10,000*l.* in such a way as to give a higher wage than you pay any person connected with your establishment?—It would not go far.

2302. (*Major-General Eaton.*) But the soldier would go further. What would the soldier get? Nothing. He would be in exactly the same position as now?—No, it would be incurring waste in unnecessary salaries. (*Mr. Prince.*) You must not lose sight of the fact that if a Government servant goes down to the canteen to-day, I doubt if he will take the trouble; but if we are supplying the canteen to-day, the possibility is that one of our directors will go round and take a look round and take a great personal interest in it, and if there is a complaint—even assuming that the article is not liked, it may be up to the sample but not palatable—we go to a great deal of trouble to change it. It is possible that any army organisation may write down and say, "This thing is according to sample," and the matter ends. It is not a question of money entirely, it is a question, as our chairman says, of training and knowing the exact requirements.

2303. (*President.*) With reference to General Eaton's remark, I only wish to say that I am not giving my own opinion; I am only trying to elicit the opinion of the witness. I think there is an answer to the General; but I want to get the witness's answer. (*To Mr. Kennett.*) If we saw our way to spending 10,000*l.* upon an organisation in which the interest should be confined to 5 per cent. on the share capital, you do not think we could get an administration equal in efficiency to your own?—I am confident you could not. You would be surprised, with our experience, where we find waste and leakages. If I walk into any tenant canteen not supplied by us you like, I would save a five-pound note in half an hour.

2304. (*Mr. Harwood.*) Supposing we affiliated any new organisation created with this object with some wholesale society which has, as you have acknowledged, the skill of management, we should not need to spend our 10,000*l.* in buying this skill?—It depends upon which it is.

2305. I can only put the question in general terms; I am only saying that supposing we did, we can do away with the necessity of spending our 10,000*l.* in buying skill; and you acknowledge that some of these wholesale organisations have perhaps as much skill as you have, and can sell as cheaply as you can?—No, we beat them as a rule.

2306. Sometimes, and sometimes they beat you?—No, they never beat us; sometimes they are level.

2307. I have gone into that very closely, not with your own list but with other people's, but I think you will acknowledge that they do buy, and by being producers at first hand they are able to sell probably, on the whole, as cheaply as anybody else?—What is buying at first hand?

2308. I could give you many instances. I will tell you what it is: buying butter where butter is made; buying potatoes where they are grown?—Not at all. You can only buy butter by getting the butter makers from one district in competition with the butter makers from another to get the lowest price. The price in Sligo to-day may be, say, 1*s.* 0¾*d.* But if in Sligo you say, "I can buy the same butter at 11¾*d.* from Denmark, or Canadian or Australian-made "butter," you will find the price in one part of the world regulates another.

2309. I acknowledge that?—That is where the middle man is necessary.

2310. (*To Mr. Prince.*) Without entering into details, may we take it generally that there are wholesale co-operative organisations?—There is only one.

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2311. I did not want to mention it by name?—Wholesale co-operative there is only one.

2312. There are wholesale organisations with which it is conceivable that any organisation for the supply of the army might be affiliated, and so that organisation would get the benefit of the power to supply as cheaply as you can?—But where do you get that personal interest that we have, that personal supervision and knowledge?

2313. That applies not to an army concern, but to any concern?—But they have not got it; they do not possess it. (Mr. Kennett.) They can send you your goods to the canteen; they have no distributing experience.

2314. That is another question. Who is to supply the goods first, and what is the difficulty (I want to be quite clear) of being affiliated to one of these large buying organisations which is kept up to the mark because it has to supply a vast number of co-operative societies that are watching it continuously and therefore it is kept up to the mark by a large organisation of very exacting customers?—Yes.

2315. Why should not the army get the benefit of that even granting that we have not the skill ourselves?—As regards all those co-operative societies that deal with the wholesale organisation, you will find that the majority of them also deal with wholesale dealers.

2316. We are not supposing that we should not?—You cannot point to a single wholesale co-operative society that is doing better than ourselves, or any wholesale trader selling goods to be retailed.

2317. We are not saying that they are doing better, but that they are doing equally well?—But if you have nothing to gain, where does the interest come in?

2318. You have this to gain: that by this co-operation you are not going in for a large profit which enables you to sell your concern at 60,000*l.* goodwill. We are bound to put this thing quite frankly. A concern that has managed to sell itself at 30 per cent. goodwill is a concern that has a money value?—As a matter of fact, we did not sell it, because we took those ordinary shares ourselves. But it is entirely misleading, that 61,000*l.* goodwill. We took it in ordinary shares. That was merely done so that the division of the profits of the previous partners (which they were) should bear the same ratio to the capital.

2319. (President to Mr. Prince.) What is the price of the ordinary shares in the market to-day?—They are not quoted.

2320. (Mr. Harwood.) I should have been very glad to have taken some ordinary shares that would have yielded me 8 per cent.?—But we may have a bad year.

2321. (President to Mr. Kennett.) What did you place to your reserve before you paid your dividends; have you not a large number of shareholders?—Only preference shareholders.

2322. No ordinary shareholders?—Only ourselves—and our managers.

2323. You hold all the ordinary shares, yourselves?—Yes, and the old partners or the executors.

2324. (To Mr. Prince.) How many preference shareholders have you got?—About 600.

2325. Have you any officers among them?—Yes, a few. (Mr. Kennett.) But the officers have nothing to do with the management of our business, and they have never been asked a favour.

2326. (Colonel Bridge.) Are there officers on the active list?—I believe there are some. We never ask them any favour. Nor do we ask them to come up to our place and we do not pay them their expenses.

2327. (Mr. Harwood to Mr. Prince.) But you could easily sell your ordinary shares at a great deal more?—I do not know.

2328. You have done what I have done in my own place, and what everybody does who knows how to manage a business; that is to say, you have a very good paying thing, and you have borrowed money at a fixed rate of interest from preference shareholders at 5 per cent. and secured to yourselves the 10 per cent. ordinary profit?—Providing it is made.

2329. That is perfectly legitimate. But I mean to say it is not that you kept the ordinary shares because you could not sell them; you kept them because you did not want to sell them.

2330. (President.) I do not want to press the point unduly about your preference shares, but do you issue your prospectus; do you invite officers?—The prospectus was sent out by the brokers to anybody who liked to invest, and if an officer liked to invest he could. We have never asked the officers to take shares. I could not tell you what officers have shares; we have never asked them a favour. The only man I can remember who was a shareholder, and in consequence has been rather worse with us ever since, is Colonel Hadfield, commanding the Army Service Corps. After he became a shareholder he insisted on a Dickeson contract being given up.

2331. (President.) A highly conscientious shareholder might say, "I am a shareholder in Dickeson's; I cannot vote for the contract being placed with them?"—Yes, it is certainly not beneficial to us.

2332. (Colonel Bridge.) Are there any non-commissioned officers or anybody below the rank of officer on the Active List of the Army among the shareholders?—No.

2333. Are you sure of that?—Yes, I am.

2334. (President.) Have you the balance sheet of your Company?—Yes (handing in the same.)

2335. (Colonel Lambert.) Early in your evidence you stated that on the beer you practically made no profit?—Not personally.

2336. You buy the beer at 24*s.* and sell it at 36*s.*?—Yes.

2337. Then to me or any other Commanding Officer the profits you return are on the beer?—Yes.

2338. Then what becomes of the unascertained profits and the great gain on beer which is inevitable from the sale?—It is included in the return.

2339. That goes to the Commanding Officer?—Yes, the actual takings are put in the men's daily takings book.

2340. But all the profits of the beer go to the Commanding Officer?—Yes.

2341. Everything?—Yes.

2342. Then if that be so, the difference between the buying and the selling price of the beer taken from the gross profits, less expenses, would represent the grocery retail profits, if any, supposing I wanted to find out what they were?—Yes.

2343. Then if that again be so, what advantage is it to you to supply, say, my regiment under the regimental system, or your own system, with your own employés in it; what greater advantage is there to you or to any contractor to supply it if you have it in your own hands than if it be in the hands of the regiment?—If we act as tenants and work the grocery bar ourselves we can do more trade; and we also know that our goods are properly handled.

2344. That is the only advantage?—It is the great advantage.

2345. Is there any other?—No.

2346. (Major-General Eaton.) You say that the beer sold in the canteen is sold at 24*s.* a barrel?—No, sold at 36*s.* a barrel—1*s.* a gallon, 3*d.* per pot.

2347. But bought at 24*s.* a barrel?—Yes.

2348. Public-houses pay 28*s.*, roughly?—Tied houses pay more.

2349. There is a great deal of difference?—Yes.

2350. Do you mean to say that that is the same beer?—I know the brewers will say No. All I know is that we have a specified gravity, the War Office gravity, 10·45.

2351. Do you suppose that beer at 24*s.* a barrel can contain 75 per cent. of barley?—I do not know, but you must not lose sight of this, with regard to the public-house, that possibly the brewer has had to expend a large sum to get that public-house, and he has to make that up.

2352. But according to that the profit on the beer at canteens is greater than at the public-house?—Yes, it is; the canteen sells the beer at 1*s.* a gallon that the public-house charges 1*s.* 4*d.* a gallon for; you never get it for less than 2*d.* a pint, but the canteen price is 1½*d.* The canteen price, until the system of contract was entered into, was 31*s.*, then 30*s.*, then 28*s.* 6*d.*, and the last North-Western District contract that was taken was for some canteens in the district at 21*s.* 9*d.* per barrel of 36 gallons of Burton beer.

2353. Do you suppose or believe that by your system, the tenant system, the soldier gets as much profit?—Yes.

2354. It is rather curious that, looking at the War Office returns for Dover, apparently the Royal Garrison Artillery—do you supply them?—No.

2355. Their monthly profit is 54*l.* 14*s.* 1½*d.*?—What does that average.

2356. It does not give the average. Here is rather a curious case. Here is the cavalry depot at Canterbury. Their average monthly turnover in the wet canteen is 193*l.*, and in their dry canteen 765*l.*, showing an average monthly profit of 84*l.* 6*s.* 4*d.* in the wet canteen, and 94*l.* 7*s.* 8*d.* in the dry. You supply the first provisional battalion?—Yes.

2357. You turnover is 214*l.* in the wet canteen?—I suppose that is right.

2358. It is only 21*l.* more. Your turnover in the dry is 768*l.*, only 3*l.* more; and the profit shown is 11*l.* monthly. Therefore comparing those two there is about 70% difference?—That figure must be wrong—if it only shows profit 11*l.* monthly.

2359. That may be the gross profit?—There is no working expenses. (Mr. Kennett.) 11*l.*—all the profit!

2360. This is the general return?—May I look at it; where do they put down their rebate?

2361. Certainly (*handing the document to the witness*). Here in your own list you showed on that provisional battalion 13*l.* 15*s.* a month?—That is equal to about a monthly profit of 100*l.* (*handing back the paper*); there are about 700 or 800 men there, the return showing only 11*l.* is a misprint, it is wrong, it must be intended for 110*l.*

2362. Is your list of prices exactly the same to the civilian and the soldier, or do you sell cheaper to the soldier?—That is the average monthly price, including carriage, return of empties, and everything of the sort; but to the ordinary civilian we sell at every day's market price.

2363. Take things like bread and potatoes, are they sold at the market price?—Yes.

2364. In all your contracts?—Yes. (Mr. Prince.) Unless it is fixed for a certain payment by special contract.

2365. (President to Mr. Kennett.) That is the question I think the General and other members of the Committee are anxious to be quite clear about, and I do not think we are. We want to know what security there is to the soldier, that he is paying the same wholesale price as the civilian. General Eaton asked you whether that price list is the same as that which is offered to the civilian?—It is, with the addition of carriage and return of empties.

2366. That introduces a complicated factor, which makes it impossible for the soldier to compare?—You see how it grew up. No canteen president will go and fix his canteen prices, if on one article the carriage is to be 1*s.*, and on the next 7*s.* For their own convenience we take an average all-round price, and charge the carriage for the sake of simplicity, just as the stores do; but, taking the average all round, it would work out rightly. The safety is in the competition of rival firms.

2367. Take a specific canteen: do you, in quoting a price to the canteen, show how much in carriage, and how much is article, so that the Commanding Officer can compare the actual cost price he has paid?—No; but he can get a list, carriage paid, from a lot of firms, and can also look in the daily papers, and see loaf sugar is such and such a price.

2368. But officers are not given to doing that, are they? (Mr. Prince.) Oh! are they not? (Mr. Kennett.) The only thing is, if we did not do our very best, we should not retain the trade, or it would not have grown.

2369. (Major-General Eaton.) I suppose there is no doubt you do make a good profit out of the canteens, and there is great competition to get them. I want to know (I do not suppose you will tell me even if I ask you) how the contractors get the information they do, as to the movements of battalions before they take place?—I do not think they do.

2370. I know they do as a matter of fact; it has occurred to me?—Are you speaking of some years ago?

2371. A few years ago. The first intimation that I got of the removal of my battalion from Bermuda was a telegram from a contractor, "Battalion moves such a date; may I supply?" I suppose I shall not get an answer if I ask how you get that information before it becomes public knowledge?—It might appear in the newspapers.

2372. No, this never appeared in the newspapers; this is private information?—You always know in a barracks what regiment is coming in.

2373. There was not a single man in my battalion who knew it, nor did I know it myself?—Somebody knew it at Bermuda.

2374. It was not known to the General himself; I took him the telegram?—I do not know how that was done. But I know that we used to get a lot of information from the brewers. One man might hear others say such and such a regiment is going away, and such and such coming in its place.

2375. There must be a keenness amongst the contractors to get this trade, and that leads to information from somewhere?—There used to be great keenness to get the information because, if one might say so, the information was very often unnecessarily withheld.

2376. How do you account for the variety in the rebates? Here is one, 17*l.* 10*s.* for the Coldstream Guards for 100 men at Chelsea Barracks. Then you go to one of 30*l.* for a battery of artillery?—That is quite right; the Coldstream Guards is a high one because it is here in London, where there is no cost of railway carriage, no question of delivery; it is a big trade and easy to control. That battery there is an absurd price on the face of it, 30*l.* for a battery of artillery, but that is quartered in a part of the North Camp at Aldershot, surrounded by a large number of married families attached to other corps who deal at that canteen. (Mr. Prince.) We were shown the takings on the regimental system, and we saw at once what we could afford to give.

2377. How do you explain such a great difference? Take another: 5*l.* for the Army Service Corps at Southampton?—It is only a little hut.

2378. But still there is an enormous difference?—There are no married people and no grocery trade, or hardly anything. You cannot have less than two men to work a place like that, and you have 120 men to supply. Those two men could serve 1,000.

2379. That is the rebate?—Yes, that is the minimum guarantee. If there is any more profit made, they get it under our system.

2380. (Colonel Lambert.) Under the system on which you have been working the men get all the benefit, practically. Who controls the working expenses with you now?—The directors.

2381. Therefore they control the working expenses that are paid to your employés, who, practically, are paid with the men's money?—Yes. (Mr. Kennett.) Yes, the difference between the retail and the wholesale profits.

2382. You make the prices for the wages to be paid, and so on?—Yes. (Mr. Prince.) Still, in nearly every case the minimum rebate is as much as possibly can be paid.

2383. (President.) Where you are in a position to pay a surplus, I understand Colonel Lambert's point, is that you admit you have no great interest in reducing your expenses?—Yes, we have; we like to pay as much as possible.

2384. In the soldier's interest?—No, it is our interest. It is the best possible advertisement we can have.

2385. It is only an indirect advantage?—It is part of our mission.

2386. That is, the moral and intellectual advantages?—Yes; the more a Commanding Officer got out of his canteen through us the better he would think of us.

2387. (Mr. Harwood.) May I ask, with regard to this beer and the motive to sell beer, have you any figures that show, taking the average, what is the proportion of the rebate earned by beer and by dry goods? You must know from your large experience how much of the ordinary rebate that you give is earned by beer—by wet or by dry?—It does vary so.

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2388. You see, why I ask the question is this: If you are earning the rebate as you said a little while ago entirely by the beer, then it follows that you are retailing your dry goods, practically, at wholesale prices, plus expenses, does it not?—Yes.

2389. You are not making a profit on them?—No.

2390. Therefore, you get it all or mostly by beer—I should say mostly by beer?—Yes, the larger proportion.

2391. Then we come to a case where you have made a contract for a year ahead. You say you are not interested in promoting the sale of beer because you do not get any profit on the beer; you do not get a profit on the beer for yourselves, but you have to make your rebate out of it?—Yes.

2392. Supposing you have a contract, as you have frequently, to allow a minimum rebate of 3s., say, per man, and supposing 2s. 6d. out of that 3s. is made out of beer; if the men do not drink so much beer then you cannot make your rebate?—No.

2393. Therefore you are interested in promoting the sale of beer?—No, we are not.

2394. To make your rebate?—We must reduce it.

2395. But you have the benefit of that rebate?—No; but we must get it altered, and the tendency of men is to drink less beer.

2396. Then there comes another difficulty: if it be their tendency to drink less beer, and most of the profit is made out of beer, then the tendency of your contracts ought to be to diminish your rebate?—Yes; and I have a plan which I shall submit presently which would overcome that difficulty.

2397. But the evidence given to us is that the amount of rebate offered by those different contractors is rising?—Yes.

2398. It has nearly doubled.—Yes.

2399. Then we are in this difficult position: that most of the rebate is made out of beer, and the consumption of beer is diminishing, and yet the amount of rebate is rising. Can you explain that?—You must take each canteen. For instance, you have one regiment in one camp on the tenant system, and it costs you just as much for the inspector, your clerk who has charge of that account, all that business—what you may call the management expenses—as if you had ten or five regiments.

2400. I am not speaking of differences—that is acknowledged; but I think I may go so far as to say that, generally speaking, the amount of rebate offered by army contractors has risen in the last few years?—Yes, it has.

2401. We have figures before us which show that?—Yes, but it is principally due to the lower price at which beer can be bought wholesale now.

2402. But if the consumption of beer is diminishing, how are you getting a larger rebate out of a diminishingly consumed article?—When I speak of diminishing, I have noticed the change more within the last two years.

2403. Then we may look forward to a diminishing rebate in the future?—Yes, on beer.

2404. Unless you raise the prices of groceries?—No, that need not be done.

2405. Then if you depend for the same proportion of rebate upon beer as you get now?—You would not get it. That is a thing which will have to be faced.

2406. It seems to me inconsistent?—As regards earnings out of the canteens now, the regiments are right at the top, and that will have to go down.

2407. If there was a great Father Matthew and all the Tommies stopped drinking beer, then you would stop being able to pay the rebate practically?—Yes. On the other hand, you must remember that there must always be about 33 per cent. on your beer. With the man who has his jug or the man with his one or two glasses a day, you would always make a profit out of the canteen.

2408. Can you at all supply the Committee with any general estimate of how much, proportionately, of the rebate is made out of the wet, and how much out of the dry?—I shall be able to show you that when we make our return. I will send you, directly we have it, a quarterly return of the whole of our canteens, and it will show you that figure.

2409. Then if that be so, in any arrangement proposed to be made we have to face the fact that if we were dealing on the co-operative plan for dry goods, we should have to face the prospect of making no profit. If you make your rebate entirely, or almost entirely, out of drink, and we in regard to dry goods are proposing some co-operative system, we must face the fact that the co-operative system must be carried out without a profit?—No, it ought not, because with the grocery bar will go the coffee bar and the supper bar; and the supper bar, if properly managed, will pay almost as much as the canteen, because those dishes, soup and fried dishes, and those things, yield a very handsome profit.

2410. (Major-General Eaton.) How long have you been doing, for instance, the Coldstream Guards?—For two years now.

2411. Have you got a return of any one month that has been already sent in, showing the exact amount that you took over the counter of the wet canteen?—Yes, I can furnish you with that.

2412. I have here a statement which Colonel Bridge has been able to furnish me with, which I understand is a correct return of what you took over the counter in the different bars in July last?—You can have a general return.

2413. No, I want this one particular month. From this statement which Colonel Bridge informs me Mr. Mills, the branch manager of the Army Service Canteen, furnished to him, it appears that in July last you took over the grocery counter, 1,000l. 19s. 5d., over the coffee bar, 273l. 11s. 11d., over the auxiliary bar, 65l. 17s. 9d., over the coffee stall, 36l. 1s., over the drapery bar, 11l. 9s. 9d., and over the beer bar, 459l. 12s. 5d. The coffee stall is the early morning barrow, you understand; it is not a coffee shop.

2414. Your total takings were 1,847l. 12s. 3d. from that one canteen in one month, and the rebate that you paid back was 233l. 2s. 4d. Can you inform me what surplus profits you paid to that regiment?—We did not pay any surplus profit at all.

2415. Then according to this return you made in that month 1,614l. clear profit?—I wish we had.

2416. But this is a correct statement, is it not?—That is the gross takings. The cost of the goods must be added to the rebate, also the working expenses.

2417. But the rebate to the regiment was only 233l. 2s. 4d.?—Yes.

2418. Then you cleared 1,600l. gross profit?—No, we did not, because the goods were paid for.

2419. That is the gross takings?—Yes.

2420. Then what did you calculate your actual profit was made out of that?—How much for beer?

2421. No, for the whole thing?—How much were the groceries?

2422. The groceries were 1,000l. 19s. 5d.?—About 2 per cent. on the grocery?

2423. That is only a rough sort of idea?—We never work it out, we never keep our books in that way. We only know once a year.

2424. You cannot tell me that the working of one canteen cost for the supply of goods 1,600l.—for one month?—But there is the cost of the goods there.

2425. I know that. You cannot tell me, when you expended 1,600l. on goods in one month, what you calculate was the cost of goods in that canteen for the month?—It is impossible to say.

2426. You must know what stock you have?—I can show you what stock was brought forward, what stock was on sale, and what stock we delivered over.

2427. That stock was remaining over?—Yes; but that statement simply represents the takings. That 1,000l. to the good might have cost 990l. for all I know, and the 459l. for beer cost something.

2428. Of course it does. I do not mean for a moment that you made 1,600l.; but what do you imagine out of that 1,600l. was clear profit?—The rebate was 233l.

2429. That leaves you 1,614l. roughly?—I should think even if the beer was one-third, 33 per cent., that would be 172l., so that we only gave them 70l. on the grocery and coffee bars. If you take the profit on beer as being 33 per cent., one-third, that would come to 172l. in addition to that there is the profit on sales at the coffee bar, which is a very good and proper thing for the Service.

2430. (*Colonel Bridge.*) You cannot call that coffee bar profit under the circumstances?—No, not on the wholesale.

2431. The profit on the coffee bar is distinctly a retail profit?—Yes, but it is a good one.

2432. I want to come back to a question which has been asked once or twice before, but I want to put it to you in a slightly different form. You say that you are prepared to take the whole of the trouble and labour, and, I may say, worry of the canteen trade, in order to obtain the wholesale profits to pay your directors' and the shareholders' dividend?—Yes.

2433. (*President.*) I understand that you wish to submit a plan to the Committee?—If you please.

2434. Before you do so I should like to go back to your balance sheet, which I have now had an opportunity of studying. I see from your profit and loss account that your total expenses, including depreciation and reserve for bad debts, amounted to 67,000*l.* odd. Can you tell me what proportion of that you put aside as a reserve for bad debts?—About 7,000*l.*

2435. And for depreciation?—The depreciation is shown lower down, I think.

2436. Yes, I see, 2,613*l.* In your Army canteens there is no depreciation at all?—No. (*Mr. Prince.*) Yes, that is the principal depreciation, bar stock.

2437. What, the stock?—No, not the stock, the fittings and utensils.

2438. (*To Mr. Kennett.*) Do you not pay that out of your revenue every year?—We wipe off a certain amount of it.

2439. Does not the regiment put up all the fittings?—No, only the shelves; we have to find jugs, plates, canisters, scoops, knives, pots, glasses—all utensils.

2440. And that depreciation is fairly credited to your Army canteen account?—Yes.

2441. As to reserve for bad debts, you have no bad debts in connection with Army canteens?—We have very few.

2442. Then I may wipe out all that?—There are a few.

2443. Then I will wipe out 1,000*l.* Your reserve for bad debts is for your civilian trade?—Yes.

2444. Not for your Army trade?—No.

2445. Then your net balance for profit is 19,891*l.* carried to revenue account—I add to that 6,109*l.*, which is quite fair after the admission you have made, and that gives you a total net profit carried to revenue account of 25,000*l.*?—No, that 7,000*l.* was when the business was bought in the beginning, and part of it is already deducted. That always stands.

2446. I am looking at your profit and loss account from January 1st to December 31st, 1901?—Yes.

2447. In your profit and loss account you have put "Reserve for bad debts;" but they do not exist for the Army, so I leave out 7,000*l.*, which I am justified in doing?—Do not do that. 6,000*l.* has been already arranged for in previous balance sheets. (*Mr. Prince.*) The bad debts in the year would possibly not be more than 1,500*l.*

2448. Then I will take it at 1,000*l.* That brings my point out. (*To Mr. Kennett.*) In rough figures I am justified in saying that the balance of net profit on the year's capital is over 20,000*l.*?—About 20,000*l.*

2449. Your share capital is 225,000*l.*?—Yes.

2450. I deduct, from that the price of goodwill, 64,152*l.*; that makes your working capital 160,000*l.*, on which you earned last year 20,000*l.*; that is equivalent to 12 per cent. That is the only point I wanted to arrive at in pursuance of a thought which is already before the Committee; that is to say, that you made last year a net profit of 12 per cent. upon your working capital?—No, we did not; because you must wipe off so much for wear and tear.

2451. But you have done that already?—(*Mr. Harwood.*) I should think quite freely with 67,000*l.*?—Take that 7,000*l.* for bad debts—perhaps that is already lost this year.

2452. (*President.*) But you do not make bad debts on the Army trade?—No, but we do on the civilian trade. We have already had some stinging bad debts this year.

2453. (*Mr. Harwood to Mr. Prince.*) This Committee is called together to consider in a certain sense the possibility of the Army doing this business for itself, and we must bear in mind that the liability to bad debts would, as you have yourself said, be practically eliminated on the co-operative principle; there would be none?—There may be immense market losses, you must not lose sight of that.

2454. (*To Mr. Kennett.*) But take the 67,000*l.*, that includes expenses; what does "total expenses" mean—all except invoice cost?—Yes.

2455. (*President.*) Now what are the points you wish to bring before us?—I wish to say that I have had about 30 years' experience in the canteen business, and I have studied it for a long time. The first point of all was, how we could increase our canteen trade? There is only one sound principle, and that is, that you have to do as well as, or a little better than anybody else, if you wish to capture the trade. Then the second point was, how could it be best managed, not only for our benefit, but for the benefit of our customers, because any enlightened business man must know that, however they may appear to be opposed, the interests of the customer and the interests of the seller are identical. I have, therefore, first of all suggested that there should be an agreement, of which I have drawn up a rough copy, as to what the canteen should be in the case of tenancy canteens. I would take it first of all that the agreement should be either for a district or for a division, or, in the case of a place like Aldershot, a brigade. When I speak of a district I mean a place like Dover for one district, Portsmouth for another, Plymouth for another, and so on; because if you get a district like that the management expenses can be kept down.

2456. (*Mr. Harwood.*) Would you mind giving us the division that you suggest?—I mean a military district from the Army List. In a large place like Aldershot you could not take that, or you would destroy competition; I am not supposing that either ourselves or any other firm would have all the trade; we should not expect it and nobody would expect it. You will always have three or four firms doing this business.

2457. (*Major-General Eaton.*) Do you propose having one canteen for a place like Dover?—No, I mean that you should take the Dover District—the South-Eastern District which embraces Shorncliffe, Brighton, Dover and other places; that there should be one contract for the whole system; that one tenant should serve that district. In that case I propose: "(1.) The buildings and stewards' quarters, where existing, to be provided by the Government. The tenants shall keep the premises of the institutes, the manager's quarters, and the ground in the vicinity in proper order, to the satisfaction of Officers' Commanding corps." I am also bearing in mind that there are no public funds available for spending a large amount on canteens. There was a circular issued by Lord Roberts some time ago, pointing out that public funds were not available for making coffee bars more attractive, and asking for suggestions from Commanding Officers as to what could be done. Therefore I take it that it is best to suppose that there would be no public funds available. My proposal therefore is this: "(2.) The fittings at present in the regimental institutes to be taken over and paid for by the tenants at a valuation, and to be maintained in repair by them. At the termination of the contract" (for three years or five years, or whatever the term is) "in the event of the occupying tenants not continuing, the fittings and all additions made by the tenants, and the bar-stock and utensils to be taken over by the incoming tenant at a valuation, by arrangement or by each appointing a trade valuer with an arbitrator to decide any dispute; billiard tables, if required, to be provided by the units." If a corps want luxuries, billiard tables and pianos, they should provide them themselves.

2458. (*President.*) In some of the institutions that you manage, do you provide billiard tables?—No, we never do; they used to be supplied by the brewers until it was forbidden.

2459. You only supply management?—Yes. "(3.) The tenants to have the sole supply of all goods, including liquors, tobaccos, and groceries to the men, non-commissioned officers, and sergeants' messes, except the bread and meat rations at present supplied by the Government."

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2460. That is a departure from the present system?—Yes. “(4.) The married people to be at liberty to deal where they please, but if supplied from the grocery bar they will be allowed, say, 5 per cent. on their purchases monthly. Hawkers are not to be permitted to sell goods to the troops in barracks, nor to have passes given them allowing them to enter the barracks.” That is a question I need not go into now.

2461. What do you mean by “liquors” in recommendation 3P—Non-alcoholic liquors.

2462. Then you ought to specify that because it is open to the interpretation that it includes alcoholic liquors, when you say, “the tenants to have the sole supply of all goods, including liquors”?—Yes, we want that also.

2463. I see from a paragraph at the end that one of the great advantages in favour of your scheme is that you have no inducement whatever to push the sale of alcoholic liquors?—Yes, I will come to that presently. “(5.) The tenants to maintain a separate and adequately appointed place for refreshments and non-alcoholic drinks, and always to have hot tea, coffee, or cocoa on sale; and to provide early morning coffee, and hot suppers where required.”

2464. (Mr. Harwood.) To be supplied from what?—To be supplied from the canteens.

2465. From both dry and wet canteens?—Yes. “(6.) When troops are quartered under canvas, or on flying columns or manoeuvres the cost of hire of marquees and the cartage for the marquees, utensils, and goods required for the regimental institutes to be provided by the Government or corps, or the cost of the same, if provided by the tenants, to be charged against the rebate; and in the event of this cost exceeding the rebate, the balance to be paid for out of the regimental funds, or out of any manoeuvres allowances made by the Government.” If the Government order manoeuvres let them pay the expense. Then, “(7.) The tenants to provide shopmen and servants necessary to conduct the regimental institutes (preference being given to Army Reserve men and Army Pensioners if qualified) subject to the orders of Officers Commanding units. Any employé to be at once removed and another substituted at the request of a Commanding Officer. The tenant and his servants shall obey all regulations in respect to the institutes which may from time to time be made by the Officers Commanding or officers deputed by them, through the President of the Regimental Institutes Committee.” “(8.) The hours of business, quality, description and prices of all articles sold, to be subject to the permission and approval of the [General] Officer Commanding, or an officer appointed by him. No alteration in the quality or prices of any articles sold to be made without his consent. Notice of market alterations necessitating a revision of prices to be submitted by the tenants monthly. A price list of all articles sold, signed by the Chief Staff Officer, to be exhibited in a conspicuous place in each of the regimental institutes.” “(9.) Any properly appointed officer to have the power to take samples of goods sold at any time for the purpose of examination or analysis. The sample thus taken to be divided into three parts and sealed: one part being kept by the Officer Commanding, one by the tenants, and the other forwarded to Somerset House for analysis; and if found to be adulterated, or not of the description demanded, then the seller to be proceeded against in accordance with the Sale of Food and Drugs Act.” “(10.) The tenants to guarantee all goods sold by them in the regimental institutes to be genuine, of excellent quality, strictly according to description, and the best value that can be obtained for the money. In the event of a Commanding Officer objecting to any article on account of its quality, he is to request the tenants in writing to at once exchange the same, and in the event of the tenants failing to comply within a reasonable time, he shall, with the permission of the General Officer Commanding, purchase elsewhere, and charge the tenants with the cost of the article.” There you get the competition of outside shops. Outside every barrack you have cutting shops with ticketed things in the windows, and people soon find out what the value of goods is. “(11.) Payment for messing supplied to be made monthly through the adjutants, or any other officer appointed by the Officers Commanding.” “(12.)

“The tenants shall conduct the wet canteen or beer bar entirely for the benefit and profit of the corps, and excepting a percentage for supervision and accountancy of say 1 to 2½ per cent. on the takings, shall not either themselves, or any of their employes derive any benefit direct or indirect from the sale of intoxicants in this institution. The tenants shall at the end of each month take stock, and present to the Commanding Officer the brewer's account, deducting all discount, and every allowance made for waste, returns, &c. of any kind, the daily takings book, and after deducting from the receipts, the cost of wages, fuel, lighting, licenses, and any approved working expenses paid for, and (so much) for supervision and accountancy, shall, by the fifteenth day of each month pay to the officer appointed to receive it, the balance.” The amount would have to be settled whether it should be 1, or 1½ or 2½ per cent. The object of that is that you must keep separate accounts when you are paying the bills, and if you are to have a proper return from the beer bar, you must have an inspector going round to see that you get a proper return, and that the surplus falls into the right hands. “It is understood and agreed that all profits including surplus on retailing belong to the corps. The brewer to be selected by the tenants, subject to the approval of the Officer Commanding. Beer pots and glasses to be provided by the corps, and any wilful damage to mineral water bottles to be charged to the expenses account.” I put that in, because it is so difficult in some corps to estimate; some men are absolutely wicked in their waste of them, and the only way you can put a check on it is to charge on them. Some men actually will put them on the fire and stick their bayonets through them; but if the Commanding Officer has to pay it out of the rebate he will soon stop that.

2466. We have had evidence that some of your tins are so unpleasant that the sentiment of the regiment is dead against them; they do not think they are properly treated if they do not receive nice clean glasses, but are put off with dirty tins?—The tins are washed every morning.

2467. But they do not like drinking beer out of tins?—I know that some of the Artillery like white mugs, but tin pots are always used in canteens.

2468.—A man who does not like drinking beer out of a tin is inclined to put his bayonet through the bottom?—Well, we keep them clean; we have a man on purpose to keep them clean. The Commanding Officer and the Medical Officer goes round and takes up the tins and looks at them. No man would drink out of a rusty tin; he would throw the beer over the man that served him. Grocery and supper bars. “The tenants shall pay all wages and expenses of management and accounts and pay a rebate of [] per cent. on the amount expended monthly by the men, non-commissioned officers and married families dealing at these institutions. Any wilful damage to mineral water bottles or utensils to be assessed by an officer appointed by the Commanding Officer and deducted from the rebate.” It has been sometimes said, Why should you not sell a thing at cost price? You cannot; it is all nonsense. It is very nice to say that you are going to do so, but sugar at 2d. a pound is 18s. 8d. per cwt. If the cost price of that sugar is 17s. 6d. it is more than 1½d. and less than 2d., and the amount less than 2d. must be profit. And articles at 7s. 6d. a gross must be sold at a penny; you cannot come down to the dead cost price.

2469. I think the Committee quite realise that?—Therefore, you had better by half have a percentage given back from that profit. Then we are often asked now, that the sergeants' messes should be managed on precisely the same lines as the canteens, that is to say, that we should derive no profit from them beyond the cost of working expenses. Accordingly I propose: “The tenants shall manage the liquor bar of sergeants' messes, buying or providing all liquors at wholesale rates, and after deducting wages and working expenses paid out and (so much) of the takings for supervision and accountancy, pay by the fifteenth day of each month to the mess president the balance. All discounts, allowances of every kind in liquors, are to be placed to credit of the account of goods bought. The tenant shall not be compelled to undertake the messing of the sergeants.” As to gratuities I propose the usual clause: “(13.) No gifts or gratuities, either in money or kind, shall be made

"by the tenants either to corps or individuals in Government or Regimental employ, for any services rendered, or alleged to have been rendered by them for or on behalf of the tenants, or towards defraying the cost of sports, entertainments, moves, tents, or for any other purpose whatsoever. The President of the Regimental Institutes Committee is empowered to at once terminate the agreement for any breach of this clause." Then "(14.) Regimental necessities shall, if required, be sold in the grocery bars at the scheduled list of prices for these articles;" that is, that regimental necessities which the men have to buy in addition to their clothing will be on sale. Then "(15.) Officers' messes can, if desired, be supplied from the grocery bars, and a discount of five per cent. will be allowed off the retail rates." Then supposing we have a three years' or a five years' contract, we still put in this clause, that: "(16.) If the tenants shall in the opinion of the General Officer Commanding fail to carry out their contract in a satisfactory manner he shall notify the same in writing to the tenants, and may give them three months notice to terminate the tenancy. The tenants to have the right to appeal to the Secretary of State for War, and if the notice to terminate the contract is then confirmed, they to give up possession on the date named;" that is to say, that although we have the contract we are still on good behaviour, and can be turned out on anything being proved against us.

2470. (*Major-General Eaton.*) Is not three months rather long for serving bad stuff?—No, because there is the other clause providing that the Commanding Officer may have anything replaced himself, which protects him against that; besides it would only be fair to the men.

2471. I do not think any fairness is due to a man who is supplying bad stuff?—It depends upon the man. A good firm will not put in bad stuff, for their own sake; they will not stop long if they do. Then, "(17.) A committee of officers shall be appointed by the General Officer Commanding to decide prices and qualities of all goods sold in the regimental institutes according to market fluctuations. The Committee shall assemble during the last week in each month to consider and decide on any necessary alterations submitted by the tenants for the ensuing month, and their decision shall be final when confirmed by the General Officer Commanding." There is your safety about your retail prices and everything else; and I suggest that you should do as the Marines do. On one day in the month their Committee assembles, and every man and woman with a complaint goes before the Committee and says, you can buy such and such a thing better in the town. "(18.) The Secretary for State for War shall grant the necessary authority to enable the tenants to obtain licenses for the various canteens, the cost of same to be charged to the expenses account. (19.) The tenants undertake to carry out the instructions and abide by the provisions laid down by the War Office letter of the 2nd December 1899, No. 106, Gen. No. 412, respecting the movements of troops, &c., before same have been definitely decided and published."

2472. (*President.*) You do not give the surplus profits here by this agreement?—Yes, I do. You mean all the profits on the beer.

2473. No, I mean on the groceries?—No; I thought it was better there to go on a percentage of the takings, because it would save all the cost of accountancy.

2474. That is a difference: you hand over to the regiment all the profit on the beer, but you keep for yourselves all the profit you make on the food?—Yes.

2475. Giving in the shape of rebate, a percentage?—Yes.

2476. Then you say that it is your interest to push the sale of non-intoxicants, and that you have no interest in pushing the sale of intoxicants?—Yes. In that form of agreement, I think, you will find all these points have been safeguarded. Officers retain control of prices, quality of articles, and kinds sold, hours of business, conduct of employés, disposal of profits, any entertainments considered desirable. Tenants act as providers and distributors of goods only, providing employés, providing utensils and fittings, to fit up grocery bars in proper style, furnish and fit up in restaurant style supper bars and refreshment rooms. Only large firms to be tenants who have, either as wholesale or retail merchants, experience in the trade of grocers, provision merchants, or caterers. District

or brigade contracts for three or five years, under conditions in my suggested form of agreement. This reserves to the General Officer Commanding, the power to get rid of any tenant not carrying out the contract, or violating any of the conditions, yet affords a certainty of tenure to those who are managing the institutes for the benefit of the troops, and in the best possible way. A large firm would then not hesitate to find the capital to add to the utility and attractiveness of the various grocery and supper bars. It also at once places the advantages of "The Public House Trust" at the disposal of every Commanding Officer without any outlay whatever, and ensures the whole of the earnings on the sale of intoxicants being available for the benefit of the soldier, at a minimum of cost for management and supervision. It provides without any cost to the State or the units, the funds necessary to make the supper rooms and grocery bars more attractive and comfortable to the men. The committee who regulate the qualities and prices of goods sold, will see that prices are as low as possible, and the competition of the neighbouring shops and the various co-operative societies will ensure that the tenant does not make any undue profit. The committee would, of course, receive and decide any complaints as to prices or qualities at their monthly meetings, and the Commanding Officer at any time. The competition of large firms for this trade would also ensure that the smallest profit only would be made by the tenants, and if such a thing as collusion between the large firms were possible, the other large trading firms would at once enter the field, if they saw an opening to make a profit. The business of itself on these lines could only pay a tenant doing a large share of it, and as an adjunct to his present wholesale or large retail business. The large majority of regimental institutes have too small a trade to warrant separate management of the institutions, and only by taking a district contract or in the case of large camps like Aldershot and Salisbury, of brigades, can the cost of general management be kept from overburdening the expenses. Hence, on the ground of economy alone, the foregoing scheme will be found the only practicable one. A separate organisation to only supply regimental institutes would find their working expenses considerably in excess of those of large firms already possessing buildings, staff, fittings and utensils, and holding a general stock with the distributing expenses already earned from other trades. A Government department would have to sink a considerable amount of capital to provide that which can now be obtained for nothing. A trading company, as tenants, would depend on their services being agreeable and useful to their customers for a continuance of the trade; they would be the servants of their customers, and amenable to the wishes of the officers whose duty it is to safeguard the interests of their men. A Government department would be the masters of the customers, and "by order" would supersede "by your favour." A Government department would have no incentive to curtail expenses or secure the utmost exertion from the working staff. With the inspection of qualified Government Inspectors, the General Officer Commanding the District, the Commanding Officer, the Medical Officer, and with a regimental committee to receive complaints from the non-commissioned officers and men (never backward in complaining) there is every possible safeguard of the interest of those concerned. The only possible way of making this trade of use to a large trader, lies in their doing all the business possible; and to do this their goods must be excellent and prices low, and a stock of everything possible kept: groceries, fruit, fish, meat, vegetables, household utensils, &c. Herein lies the safety of those who deal at the institutes. As the only profit a tenant can make under this scheme is on refreshment and grocery bars, it is to their interest to promote the use of those places and counteract the sale of intoxicants by every possible means of counter attraction. The habits of the class of young men now joining, and who have recently joined the Army, are all towards more food and less alcoholic drinking; but for those who still will have a certain amount of beer daily, the cause of temperance is not promoted by making the obtaining of it so difficult or despised as to drive them to public-houses outside.

2477. Why do you attach importance to the sale of liquor by yourselves; that is the great difference between the present system and the one you suggest?—On account of the cost of management. I should say that in three parts of the canteens in the United Kingdom the things are together; they cannot be separated.

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2478. What difference does it make in your management in the cost of administration if I, the Commanding Officer, buy liquor for you, rather than you buying it for yourselves?—I do not mind that. We think we can make a better bargain with the brewer than you can. But that is a thing that can be altered. Any of these suggestions can of course be altered.

2479. You do not attach importance to that particular one?—No. The best way would be for the district to make a contract with the brewer.

2480. It is not only that, but we want to get good beer?—Certainly.

2481. You do not attach importance to these words "including liquor"?—No, but if you do not have that, you must have a separate organisation to sell your liquor; and that will run away with your profits.

2482. No, you can have the same organisation to sell it; the only question is, who is to buy it?—We do not attach importance to that. (Mr. Prince.) Not to the buying, but to the selling; that is where the profit comes in.

2483. Then what you mean is the sole distribution?—Yes. (Mr. Kennett.) If you get another organisation to do all the selling of the beer, that could be done, and we would keep only the grocery.

2484. Then you could put in the word "selling" instead of "sole supply"?—Yes. (Mr. Prince.) "Sole distribution" would be better.

2485. (Major-General Eaton.) Then all this beautifying of these different rooms is to be done out of the profits?—Yes; but only if we get the contract for three or five years.

2486. (Mr. Harwood.) I do not know whether you have seen the Report of a War Office Committee which sat under General Hildyard in February 1899. The conclusion of that Report is this: "It seems, therefore, to be worth consideration whether the time has not arrived for the trial of this system," (that is the tenant system) "combined with district contracts to be made in a district at home." That seems to be, in substance, what you are advocating?—Yes.

2487. Substantially you want the tenant system combined with district contracts, only you add to that longer contracts?—Yes.

2488. That the profit of the liquor shall go to the regiment whatever it may happen to be?—Yes.

2489. Without having a contract for rebate, including liquor?—Yes, that they shall have the whole of the profits of it.

2490. That there shall not be a contract for a fixed rebate?—Yes.

2491. (Colonel Bridge.) Where do the beer and coffee stall profits go now?—It all goes into one pocket, out of which we pay the rebate.

2492. It goes to you?—Yes, practically, but we pay the rebate.

2493. But that does, to some extent, affect your statement that you content yourselves with the wholesale profits?—No; it goes back as rebate.

2494. But you said just now that the beer paid the whole of the rebate?—No, I said the larger amount.

2495. But, supposing that the profit on the coffee stall plus the profit on beer was larger than the rebate that you guaranteed to pay to the soldier, it would go into your pockets?—No, it goes back, under the new system.

2496. As a surplus profit?—Yes, it goes back as a surplus profit. Every penny earned over and above that goes back as profit.

2497. (Mr. Harwood.) From your large experience, I wanted to ask you whether you would or would not recommend beer being served with the food?—I do, strongly. I think it is better for a man to have a pint of beer, or a half glass of beer with his supper than that he should be obliged to go to the canteen and drink it by itself.

2498. If you were the tenant, and had control of the matter, how would you propose to work that? Would you propose to have the canteens together, so that the beer could pass from one to the other, or would you propose that they should carry it from the one to the other?—You must have a man to carry it. (Mr. Prince.) In the case of a large building, a separate licence could be had, and the beer kept in the same place, with the

safeguard that no man was allowed to have a pint of beer unless he ordered a supper with it.

2499. (President.) That is the practice now?—Yes, and it is working well.

2500. (Mr. Harwood.) How would you propose to do for the dinner?—The dinner they have in their own room, and I do not think the Commanding Officer would allow it there. That would be nothing to do with us: that would be a question of discipline.

2501. (Major-General Eaton to Mr. Kennett.) Do not you think that the soldier would prefer to have a better class of beer to paying so much for it?—No. I think that the mistake that is made now is making the gravity too high. I think that if instead of a gravity of 10.45 it was more of the lager style with a gravity of 10.30 or 10.32, it would be very much better.

2502. But lager beer is more expensive. I am quite certain that the soldier likes lager beer, but I believe the soldier would much sooner drink less beer, only he makes it up to an even price. "If I have to pay 1½d. I will make it up, but I would much sooner pay 1d. for a good half-pot." Some regiments prefer one and some the other. There is a mild beer that is now being brewed by some brewers that they like.

2503. (President.) Do I rightly understand you to say that the private soldier likes lighter beer better than beer with more body in it?—Yes, I think they would.

2504. You would educate him to like it?—I am sure they would. (Mr. Prince.) It was tried at Chatham for the Royal Engineers there. The Secretary there asked me if I could get him a lighter beer, something of the lager type, but it must of necessity be low in price. I got him something which was prepared by some brewers merely as an experiment, but it was not up to the specific gravity. The men liked it and the Secretary said if the men felt thirsty he did not mind their drinking that, but he objected to their getting intoxicated.

2505. I may say that I have been informed by brewers that they can manufacture lager beer more cheaply than ordinary beer, but that the working classes will not drink it. That is not your experience?—That is an actual case where they are using it at the present time for the Royal Engineers at Chatham. (Mr. Kennett.) Then you have the experience of Ireland. For some reason or another in the Army Regulations the gravity of beer in Ireland has to be 5 degrees greater than in England, and the consequence is I was talking to a Colonel the other day commanding a regiment recently arrived from England, and he told me that his men would go into the canteen at night and drink their usual two pints and the fellows found that they were getting intoxicated; they forgot about the extra weight. That weight was put into the canteen regulations so that they should have some standard by which they could buy the beer. One brewer says, "My beer is better than another"; but if you have your gravity you have some security about your price. I think it was fixed too high, and that lighter beer would be better.

2506. (Colonel Bridge.) Is not the greater difficulty of lager that it will not keep?—Yes. (Mr. Prince.) I have here a list supper dishes that the soldier can have at the present day, which might be of some use to the Committee. (Handing in the same.)

2507. (President to Mr. Kennett.) Is there any other point that you wish to bring before us?—I only wish just to say that I have had about 30 years experience of the canteen trade. I have tried to get something that should be the best, and I honestly believe that the scheme which I have put forward is the only really practicable one. And also you may think that we are very much interested, but while we should be extremely sorry to lose our military trade after spending so many years at it, it would not mean disaster to us—in less than 12 months we could replace every pound of it.

2508. We are much obliged to you for the way in which you have given your evidence to us (To Mr. Prince.) Is there anything else that you wish to state?—Only that I have here a list of testimonials from officers which I will hand in in our own interest, some 600 (handing in the same). (Mr. Kennett.) There is the proof too that we have made this business pay when others have not.

2509. (Mr. Harwood.) You think that if we had a long contract, contractors would be willing to spend

their capital in developing a supply trade?—Yes, we would, and so would any firm who can afford to spare the capital to do it just as you would contract to give a man five years' service if he is a good man.

The witnesses withdrew.

CANTEEN COMMITTEE QUESTION 2408.

Victoria Warehouses, Mansell Street,
London, E., 21st August 1902.
SIR, In further reply to your favour of the 12th inst. with reference to our promise to send a return as to the proportionate amount of rebate made out of wet and dry canteens respectively on the first quarter of this year, this amounts to 82 per cent. on the wet canteen, and 18 per cent. on the dry canteen. Our

returns for the second quarter of this year have not yet been completed, but as the rebate for the period is precisely the same, the result will, of course, turn out the same also. This goes to prove what we have previously stated, that a large proportion of the rebate paid is made out of the liquor bar, and as temperance increases in the British Army, the profit made will be proportionately less. At the same time, it shows that under present conditions, and for some time to come, a very large profit is made in canteens, and only by allowing a large and liberal rebate can the money find its way back to the soldier.

We have, &c.,

RICHARD DICKESON & Co., LIMITED,
(W. O. KENNETT, Director).
Colonel F. O. Barrington Foote,
Commandant, Kneller Hall,
Hounslow.

After an adjournment,

Mr. JESSE CLEMENT GRAY called in and examined.

2510. (President.) Will you state to the Committee what your position is?—I am general secretary of the Co-operative Union.

2511. We should be much obliged to you if you would give us some statement as to the working of the co-operative movement with which you are associated?—Of course I did not know what line you would wish me to take, and not knowing anything about the canteen system I thought it better to confine myself to what I actually did know; so I just dotted down a few leading points.

2512. Will you give them to the Committee, please?—My position is general secretary to the Co-operative Union. The Co-operative Union is not a trading body; it is a voluntary union of co-operative societies in Great Britain for the purpose of propaganda, mutual defence, &c. Co-operative societies are of various kinds, productive and manufacturing, and wholesale distribution and retail distribution. My evidence will deal more particularly with the distributive societies or stores, as they are commonly known. At the end of 1900 there were 1,464 retail distributive societies in existence, and at the same time there were two wholesale distributive societies, one in England and one in Scotland. The 1,464 retail societies in 1900 did a trade of 50,053,567*l.*, and during that year made a profit of 7,747,338*l.* The two wholesale societies, in addition to that, did a trade of 18,000,000*l.* The number of members in 1,464 societies was 1,709,371, and these members had a share capital in their societies amounting to 23½ millions.

2513. That is 23½ millions confined to 1,464 distributive societies?—Yes; I am only giving you figures about the distributive societies now. The distributive societies employ in their business 45,000 people, and the productive societies employ in their business 38,000 people, making the total number of persons employed in the co-operative societies 83,000. From 1862, which is the earliest year of which we have any statistical record, up to the end of 1901 the trade of the co-operative societies has been 1,201 millions sterling, and the profits for the same period amounted to 113 millions.

2514. That is 113,000,000*l.* sterling, which has been saved for the consumers through this organisation?—It includes the productive and distributive profits. Since 1862 all the statistics are put together, and the total trade is 1,201 millions; the total profit 113,000,000*l.* up to the end of 1901. 30,000,000*l.* remains invested with the societies to-day. That is including the whole-sale distributive stores and productive.

2515. Not in addition?—No.

2516. Where does that other 7,000,000*l.* come?—In the productive and wholesale societies. I have given you before the 23½ millions invested in retail societies.

2517. And 7,000,000*l.* in the productive and whole-sale, making 30,000,000*l.* in all?—Yes; so that over 80,000,000*l.* during that period has been distributed amongst the members. A word as to the constitution of these societies may here be useful. We have all sorts and conditions of men and women as members of our co-operative societies, from members of the House of Lords, down to the poorest worker. Societies are usually commenced in the first instance by working

men who desire to improve their position. A few of them get together, talk matters over, and decide to start a co-operative store. They club together what little capital they may have, and begin in a small way. Almost every society is commenced in a very small way, including that at Bolton which Mr. Harwood knows, which embraces now 26,000 members. The shares are generally 1*l.* each, and the interest on the share capital is always limited to a fixed rate—mostly 5 per cent. at the beginning, but afterwards as the society grows and capital becomes more plentiful, the interest is often as low as 4 per cent.; and in some cases the rules provide that a member who does not purchase goods from the society gets no interest on his capital, because they expect their shareholders' custom, and some societies make four per cent. the limit.

2518. That is not a usual rule, is it?—Yes, it is very common now. For instance, in the model rules published by the Union we have a clause that the society may fix a minimum sum for a member to purchase in a year, and if members fail to purchase that minimum the society can pay them off; and in other societies the rules provide that a member may have his capital there, but if he does not trade he gets no interest.

2519. Supposing I was to invest 50*l.* in a society, and not to trade at their store, I could call upon you if you did not pay my interest on capital to buy me out at par?—They are withdrawable shares; it is not a case of buying out, but paying out.

2520. If you do not pay my interest?—You can demand it under the rules. By the rules all shares in co-operative societies are generally withdrawable only, not transferable, except in case of death.

2521. But I can demand the withdrawal?—Yes.

2522. And I get my capital back?—Yes, the rules contain provisions for a scale of notice for withdrawals; one week's notice for 10*l.*, and so on. That practically means that the co-operative societies are almost in the nature of banks; the members pay in money almost daily and draw it out almost every week and use it in that way. After all working expenses have been paid and provision made for a reserve fund and other contingencies, the surplus remaining is divided amongst the members in proportion to their purchases from the society and not in proportion to their capital. I want that to be noted because it is peculiar to co-operative societies as distinguished from joint stock companies. You see the co-operative societies do not really go in for making profit; they pay the capital invested in the business, what they call the wages of capital, whatever it may be worth, whether 4 per cent. or 5 per cent., then after paying all working expenses the surplus is left for division amongst the members in proportion to their purchases; so that they practically get all they purchase from the society at net cost, plus working expenses, capital only receiving its fixed interest as before stated. Members are encouraged not to withdraw the profits due to them on their purchases, but to allow such profits to accumulate in the society as share capital, with the result as you see that although we made 113,000,000*l.* in profits we have 30,000,000*l.* invested to-day in the societies, so that many of them by this means, even poor people, with no surplus to save out of their wages, are enabled to accumulate

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capital and provide for old age. I have one or two instances taken from the Manchester and Salford Society, of which I am a member myself. For instance, there was a person who joined the society in January 1881, and all the money he has put in that society as investment has been 1*l.*, but he has to-day as his present claim 150*l.* 13*s.*

2523. Those are his dividends on purchases?—Yes, accumulated. He has never withdrawn anything, but allowed everything to accumulate; he paid 1*l.* to commence, and has withdrawn nothing since, and he now has 150*l.* standing to his credit.

2524. What interest do they allow him on the credit?—They allow him 4 per cent. in this society. I may give a few instances showing what the co-operative movement has enabled the working men and women to do. It has been built up entirely by working men. We generally date from 1844, when it was started by a few poor men, who put together 3*d.* a week until they got a few pounds together, and started a little grocer's shop. They saw that they were unable to save out of their earnings; but by this method of setting up as their own shopkeepers, and doing for themselves their own business, which others up to that time had been doing for them, they have been able to accumulate what I have stated. I have heard it stated that this is a monopoly; but I cannot see how it can be said to be a monopoly when people are doing things for themselves. It is not as if we were setting up a gigantic co-operative society formed of capitalists who want to make a profit on their investments; but here our societies are composed entirely of members who hope to benefit themselves through their purchases, not through their investments, and having fixed the interest on the capital at what we consider it to be worth in the market (whether 4 or 5 per cent., in some cases 3½), the whole of those profits go back to those people who have made them by their purchases. That is the difference between co-operation and the joint stock system, and the distinction between the London store system and the industrial and provident societies system.

2525. Just to elaborate that point, would you state a little more clearly what the difference is between your stores and the Army and Navy Stores, which has an establishment in Victoria Street?—I am afraid that I do not know very much about the Army and Navy Stores constitution, as I ought to do; but I have described our own. As I understand the Army and Navy and the Civil Service Stores, they profess to sell as near cost price as possible; but there is always a margin, and must be, to carry on a business in safety, for working expenses; and if those working expenses are over-estimated, as they ought to be to keep the stores safe, there is a margin then, and a considerable margin, left for division, or for addition to the shareholders' interest.

2526. There is a net profit which has to go to the shareholders?—Yes. In consequence of that you find that the shares, which were at one time of very small nominal value, have got up to an exorbitant price to-day in these stores, if I understand it aright.

2527. Do you know what the premium is?—I do not know.

2528. Can you inform me whether it is true, as stated, that the original 1*l.* share of the Army and Navy Stores is now in the market worth 70*l.*?—It is quite that, I am sure; but gentlemen round this table will know better than I do about that. I was going to explain the difference. Our co-operative shares never increase in value; they are always at par, and are not saleable.

2529. Because they are limited to 4 per cent. or 5 per cent.?—Yes; but not only that. So long as the share list is always open they are continually receiving new shares every day, new deposits from members, and paying out some of the former deposits; so that there is a fluctuation of capital day by day, and the shares can never increase in value. A man will not go and pay 25*s.* for a 1*l.* share, and purchase it from anybody else, when he can go to the store and put in 1*l.* and get a full share. So that we prevent any share ever getting on the market or having an increased value like that.

2530. But may a man subscribe through the store for as many shares as he likes?—Up to 200*l.*

2530A. Is it open to everybody to come, from the peer to the poorest man?—Each person makes application on a form provided for the purpose, and this form has to be

submitted for approval to the Committee, who have the power to refuse admission to undesirable persons.

2531. Is that power of refusal ever made use of?—Very occasionally.

2532. So your point would be that instead of being a close corporation of an exclusive character it is open to the whole world; anybody can claim to be a member of that co-operative society unless he has some reason of bad character which entitles the Committee to refuse him; and once a member he is entitled to subscribe 200 shares at par?—Up to this extent, that in some societies they find they have too much capital and have to limit the individual holding of a member to some sum less than 200*l.* In other societies which are fortunate in their investments they may take shares up to the full 200*l.* allowed by law. For instance, the Rochdale Society has about 400,000*l.* of capital, and it only requires about 90,000*l.* to carry on its business. But it has been very fortunate; it has managed to invest the 303,000*l.* surplus capital in such a manner that it is realising on that 300,000*l.* investment sufficient to pay interest on the whole 400,000*l.* of its capital: so that it practically gets its working capital free of cost.

2533. And the advantage of that all goes to the purchaser?—Yes. Other societies find that capital is flooding in upon them too much, and they cannot find a profitable use for it, so they have a general meeting and say that they will pay off their members down to 50*l.* Although the law allows them to hold up to 200*l.*, they say no member shall hold more than 50*l.* or 25*l.*, as the case may be; and then those who hold the surplus are paid off. I was going to call attention too, to the fact that as regards Government employees the rank and file of the Army and Navy are the only people left outside co-operation. I do not know whether that has ever struck you.

2534. That is the reason why we have asked you to come and give evidence to-day, if you can suggest how they can be brought in?—The Army and Navy and Civil Service Stores provide means by which those in the superior ranks of Government service can obtain the benefits of co-operation. On the other hand, the workman and artisan employed in the arsenal at Woolwich, in the dockyards at Devonport, Sheerness, and Portsmouth, has his co-operative society which in each place is carried on most successfully, as the following figures will show: At Woolwich they have 17,146 members mainly composed of people working in the arsenal; and the Woolwich Society has 272,949*l.* capital. It does a trade yearly of 350,000*l.*, and the profits made for one year were 48,876*l.* That society has now just set on foot a big scheme to solve the housing problem; it has a scheme for building 3,000 houses for its members at Woolwich.

2535. It utilizes its spare capital in building houses? Yes.

2536. Which it sells to the members?—Yes, and its capital comes back again; being paid back by the members—it builds new houses. The Plymouth Society, which is largely patronised by the Devonport Dockyard people, has 25,653 members, with a capital of 264,339*l.*; it did a trade last year of 451,000*l.*, and made a profit of 73,751*l.* Then there is the society at Sheerness, with 3,538 members; and the society at Portsmouth, with 4,380 members. All these societies have a democratic constitution, each member has one vote only at general meetings no matter how many shares he may hold. The committees of management are elected by the members at the general meetings.

2537. I should like you to supplement what you have stated by informing the Committee what the relative position of the retail society is to the wholesale. I understand it is the practice of your retail stores, your 1,464 distributive societies, to buy the greater part of the goods that they supply their members with from the wholesale societies?—Yes. There are two wholesale societies established, one in England and one in Scotland. The original reason for establishing the wholesale society was that in the earlier days of co-operation we had difficulty in getting supplies from merchants; it was before the word boycott was known, but we were in fact boycotted; merchants refused to supply a co-operative society. Traders in the said town said, "If you supply this co-operative society you shall not supply me"; and the societies had then great difficulty in getting their supplies of goods. Therefore in 1863 they established the English Co-operative

Wholesale Society. It was a very small affair at first. I think it did about 50,000*l.* in the first half-year. To-day the English Co-operative Wholesale Society is doing nearly 20,000,000*l.* a year; so that it has grown from 1853 to 1902 to that extent.

2538. What profits does it make on its turnover?—It does not go in for making large profits; it pays as a rule a dividend of 4*d.* in the *£* on the wholesale trade.

2539. How much per cent. is that?—It is about 1½ per cent.

2540. The average profit that the Wholesale Society make is, I understand, 4*d.* in the *£* on their turnover?—The average dividend it pays.

2541. That is less than 2 per cent.; that is 1*l.* 13*s.* 4*d.* per cent. on its turnover?—Yes. I forget now what the annual profit of the Wholesale Society is, but there is a distinction between the English Wholesale Society and the Scottish. The Scottish Wholesale Society gets much better prices in Scotland, and makes a bigger profit; and that society generally pays a dividend of 8*d.* in the *£* to its members on the purchases; whereas the English Wholesale Society does not try to make a profit; it rather goes on the lines of the Army and Navy Stores of selling at the lowest possible prices, just making provision for working expenses.

2542. But like the Army and Navy Stores it does make a profit?—Yes.

2543. What happens to that profit?—It is paid back to the societies in proportion to their purchases.

2544. That is to say to the 1,464 members who deal with them, if there is any profit over a small percentage that they make upon their capital?—That is the balance I am speaking of. The 4*d.* in the *£* is the balance left after they have sold as near as they can at cost price, and after making provision for depreciation and other contingencies. This is paid to the members in proportion to their purchases.

2545. I want the Committee to be clear upon this point. This Wholesale Society is doing a turnover of 20,000,000*l.* in supplying these local distributive stores?—Yes, the trade is entirely with the stores; they do not sell a pennyworth outside.

2546. What capital has it to enable them to carry on that business?—I am speaking from memory now, but in share and loan capital I should think it has about 2,500,000*l.*

2547. Therefore what charge is made for the use of capital?—5 per cent.

2548. (Mr. Harwood.) On what shares. You said share capital; what does that get?—It gets 5 per cent. and the loan capital gets 3½ per cent.

2549. (President.) Then I understand that after it has paid 3½ per cent. on the loan capital and 5 per cent. on the share capital, although it tries to sell practically at cost price to the retail society, your experience is that every year there is a surplus that is equivalent to 4*d.* in the *£* on the turnover?—Yes, which it pays back to the members according to their purchases.

2550. Which it pays back to each store according to their purchases?—Yes; there are no individual members of the Wholesale Society, it is composed entirely of retail societies.

2551. Take the position of a retail society—take the Woolwich Society—is it obliged to buy from the Wholesale Society?—No.

2552. They can go to Dickeson, Lipton, or anybody else?—Yes.

2553. Upon whom does the choice of the source of supply depend?—Upon the committee of management.

2554. Then the object of that committee is to buy the best articles at the lowest price?—Yes. As a matter of fact, there is not a single society in this country that buys all its supplies from the Wholesale. They have 50,000,000*l.* of turnover and yet they only purchase from the Wholesale Society 20,000,000*l.*; so that although the Wholesale Society, on the one hand, is bound only to sell to societies, the societies, on the other hand, are not bound to purchase from the Wholesale Society.

2555. And the societies get practically half what they require from the Wholesale?—Yes. There are some things that they cannot buy from the Wholesale, because they patronise local productions; say there is a flour mill in the locality they prefer to purchase there.

2556. Take the question of tea. Suppose it is Lipton's tea, and they are satisfied that they can get greater value for their money by purchasing from Lipton than the Wholesale Society?—Then they are at liberty to do so.

2557-8. What is their practice; take the question of tea?—I should think the tea department is one of the most successful branches of the Wholesale Society's business; it is a tremendous business they have now.

2559. Do I correctly understand that the whole policy of the Wholesale Society is to employ expert brains at high salaries?—Yes.

2560. On a sufficiently high salary to attract the best brains you can find in the market?—Yes, I think they do in the principal departments, manufacturing especially.

2561. Will you inform the Committee how many different experts you have to buy for the Wholesale?—In connection with each branch of the Wholesale there is a separate head to each department; I mean the Newcastle branch, the Manchester centre, and the London branch. There will be in connection with the Wholesale Society about 30 different heads of departments, each responsible for his own department.

2562. There are 30 different buyers?—Yes.

2563. Do they all buy?—Yes, they all buy their own separate class of goods.

2564. Take tea; you do not have one man buying for the whole co-operative movement for the 1,464 stores, do you?—Yes.

2565. That is Manchester, is it?—No, the headquarters of the tea department is in London. Mr. Fielding is the manager of that department, and buys for the whole of the movement. He has, of course, under him other experts, but he is supreme.

2566. Take butter, what arrangements are made about butter?—In butter there would be one buyer for butter in London.

2567. Also in London?—Yes, and one in Manchester and one in Newcastle, and several under buyers. In addition to that they have buyers in Denmark, Sweden, and Norway, and in several districts in Ireland, all on the spot, buying direct from the producers.

2568-9. Is it your experience that this direct connection with the producer enables you to buy more cheaply than by buying by tender in the open market?—There is no doubt of it, because you get direct to the place where it is produced and take all that they produce. We have buyers in America, Canada, and on the continent.

2570. The New York butter buyer?—American produce—American ham and cheese.

2571. Not only butter?—No; they will not buy much butter in New York, it is mostly cheese.

2572. What are the duties of your American buyers?—To buy American produce.

2573. Flour?—Yes.

2574. Bacon?—Yes, bacon and cheese principally. Then we have one in Montreal who purchases Canadian produce.

2575. What does he buy?—All sorts of Canadian produce; and the Irish buyers are dotted all over the country, and they buy Irish produce such as butter, eggs and bacon. The Wholesale Society has also a large bacon factory at Tralee and another in Denmark.

2576. What precautions do you take to guard against dishonesty by your buyers?—It is difficult to say. If it is found out that they are dishonest they have to suffer for it. Like in all trades there are black sheep everywhere.

2577. Does the Board of Directors of the central Wholesale Society compare the prices they give for an article, and its quality?—The directors of the Wholesale Society are divided into sub-committees, the Grocery Sub-Committee, the Drapery Sub-Committee, and the Finance Sub-Committee, but Mr. Tweddell will be able to tell you better about these things than I can; they have reports submitted to them every week as to the state of the markets and the buying that has been done and sales made. Then as you know, the Wholesale Society has half a dozen steamships of its own in which it brings the produce direct from other countries; so that we get everything at first hand.

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2578. By that action of bringing yourselves into very close connection with the producer, do you find that you can compete as to price and quality with the private organisation?—Yes, I am sure we can.

2579. Take the Army. You said before that the rank and file of the Army is the only great interest in the country which has not yet been brought within the area of your movement?—Yes, I think so.

2580. Do you think it would be possible to organise the canteens for the Army in such a way that they could be brought within your movement?—I do not know that my opinion would be worth very much, but I have thought it over. If we have the real benefit of the soldier at heart, and if co-operation has been the means of bringing into the hands of the working people of this country the millions that I have mentioned, I do not see why the same principle should not be applied for the benefit of the soldier. The great attraction of our co-operative system is the individual benefit it confers. It is not collective benefit—it is collective action for individual benefit. It is not sinking individualism, as some movements do, but it brings out the best in the individual and gives him a direct interest in what it produces. If you could do that, if you could form a central co-operative society to deal with the Army and establish branches of that central society in connection with every regimental district, I do not see why it should not be possible to work from a centre with shops established at every one of these other branches, and that each individual soldier should have an interest in the work carried on. I do not say in the management, because I can quite understand that there are difficulties in the way of discipline and so on, so that they could not be brought so directly in touch with the working of the co-operative society as working men are in the industrial and provident societies; but if it were properly understood that this was a society carried on not for profit, but simply that the capital would be found at a fair rate of interest to work these canteens as co-operative societies, in the interest of the soldier, and that the profits made out of the soldiers' own trading should be stored up for him as it were, and accumulated with the society, to be paid out when he left the Army, that would be a means of finding him something to start life with when he left the Army and would make his position better. Roughly speaking, taking it in round figures, I suppose you have about a quarter of a million of people to deal with. If you formed a society of that description you would have the world before you. It is not a closing-up of competition, you could buy where you liked, you could get direct to the producers, as we do, you could even manufacture things for yourselves as we do. You are aware, of course, that we have not rested satisfied with distributing the goods, but we manufacture. I have said that we have 38,000 people employed in productive factories in the movement, and we manufacture all the things that we possibly can to sell in our own shops. There is, I believe, a co-operative society formed in Italy to work amongst the Army and Navy which actually manufactures a great proportion of the goods it sells and it is a very successful society.

2581. Can you give me the name of it?—The *Unione Militare* at Rome; it is a very successful one. And as regards taking in the individual I maintain that it is of the highest importance to interest the individual soldier in this way; he would see the benefit of co-operation more than if it was simply to accumulate his profits to be used collectively. We have a society of 48,000 members in Leeds, and there is no difficulty in identifying every individual member. The Leeds Society knows exactly what each individual purchases, and so credits him with it.

2582. Would it not make it very complicated if every soldier had to keep a book, and every little thing he might buy was to be debited to this account?—That is not the way we do. Most of these are cash transactions in the co-operative societies. The purchaser comes into the shop and buys 10s. worth, or 1l. worth; he pays his money and gets what we call a check given him in return for it, showing the amount he has purchased. He keeps all these checks, and at the end of the quarter brings them in to the society. My ledger number is so-and-so, I bring in 15l. worth of checks; I pay them in, the treasurer gives me a receipt, and they are credited to my account. Then, if the rate of dividend is 2s. to the 1l. I am credited in my account with 30s. as my share of the profits, and this is put to my share account; then I can withdraw it.

2583. If he loses his checks he does not get his bonus?—If he loses his checks he does not get his bonus, because he cannot prove it.

2584. That avoids the necessity of bookkeeping?—Yes, and that is the system most generally adopted. But there is another system by which the society knows exactly how much each individual member purchases. It keeps a purchase account with each member, and knows exactly from its own books what each member has purchased during a given quarter.

2585. I suppose that is more easily done in a small store than in a big store?—Yes.

2586. In a big store you resort to the former method?—Yes, by giving the members checks; and they take good enough care of them. There is only this difficulty as regards the check system, that they are apt to get exchanged; for instance a poor workman wants to realise his checks and he goes and sells them to the pawnbroker, and the pawnbroker brings them in as his own.

2587. The pawnbroker brings them as his own and gets the 2s. in the 1l.?—Yes; the other method of bookkeeping overcomes that entirely, but it is more trouble.

2588. Would you see any difficulty in making the Army canteens a co-operative society affiliated to your Wholesale Society?—I should rather advocate, not that each canteen should be affiliated, but that you formed a central society.

2589. I am coming to that afterwards. I want to know if there would be any difficulty, supposing we had a body of men 500 strong, and that the canteen which supplied their requirements were formed into a distributive society under your regulations?—Yes, it could be affiliated to the Wholesale Society.

2590. Your rules do not forbid that being done?—No.

2591. Although that point of individual management would not come in?—No.

2592. Your rules require that every man has one vote, I understand?—Yes.

2593. Supposing that the military authorities did not see their way to approve that rule being adopted, would that prevent the canteen becoming a store in your movement, affiliated to it?—I like the idea, of course, of making every man a member so that he can accumulate money to be used when he leaves the Army. But you could have another form—you could register one of these canteens as a co-operative society with shareholders, and make such conditions that you would not have the soldier himself as an individual member, but you could have your rules and divide your profits amongst the purchasers irrespective of membership; then the soldier would get his profit all the same, whether he was a member or not.

2594. I am not discussing how the profits are going to be appropriated, but whether it would be possible for the regimental canteen to be affiliated to the Wholesale Society, so that it should have the right to purchase from the Wholesale Society if it thought it its interest to do so?—If it were registered as a society or company it could do so.

2595. But it would have to be registered?—Yes, the Wholesale Society can admit a company or society.

2596. Supposing it was found impossible, owing to some technical reason, to allow the canteen to be affiliated to some Wholesale Society without alteration of the rules, you cannot speak for your colleagues on the Co-operative Wholesale Society, as to whether they would be inclined to make an exception in favour of Army canteens?—I think that it would be contrary to the Act of Parliament to admit any but a registered company or society; I think the Act provides only for a registered company or society.

2597. That in your opinion would be a *sine qua non*?—Yes, it must be a registered body, either a company or a society. That point is not governed by rules.

2598. Take a canteen in a garrison town, where the men who use it are continually changing, frequently changing, so that the canteen is there as a permanent institution, but its body of consumers is constantly changing; would it be difficult for such a canteen as that to come into your movement?—That is the reason why I think a central body would be better.

2599. Will you just develop your ideas as to the central body? What do you mean by a central body?

—Because then it would not matter where your Army unit was; because your constituency would still remain the same. If one regiment left a certain place and went to another, it would still be under the wing of the central body. This would be a mere branch shop established for the convenience of the customers, because if they went to another place they would find another branch shop there. So that they would always be trading with the same society, and all the books and accounts would be kept at the same central place. It would be like the Manchester and Salford Society that has one central premises, with 50 branches dotted all over Manchester.

2600. Is it easily worked?—Yea, very easily. There is this to point out, too, that by having a central society you can buy on much better terms. It would be worth while producers from all over the world coming to one central society for trading purposes.

2601. That is your experience, having to cater for 1,700,000 members, that every producer solicits your custom?—Yes, we can buy on the best terms. Then take the Manchester Society again. Supposing we have 50 small societies dotted round Manchester, each buying for itself and buying only small quantities, they could not live; but here the Manchester and Salford Society, with 12,000 members, can go and buy for the lot, and divide out the goods amongst its branches, which is economy; and the same would apply to any large town. Woolwich has a lot of branches, but one man buys for the lot.

2602. Is there anything in the rules of your co-operative movement which would prevent the Army canteen which sells alcoholic liquor, from becoming a member of it?—No, nothing of that sort. We have several co-operative societies to-day selling liquor, members of our union, especially in the colliery districts of South Yorkshire and Nottingham.

2603. You can run a public-house in fact?—Yes. There is one village where the only public-house in the place is run by the co-operative society.

2604. Where is that?—Lord Spencer's estate at Harleston. The only public-house in the place is owned and run by the society; and they can generally pay the biggest dividend where they sell beer.

2605. In that co-operative society do you know what bonus they give their shareholders?—I think it is 4s.

2606. But all the profits made out of the public-house go to the purchasers of dry goods?—Yes, they all pull together. At Denaby Main, South Yorkshire, they sell liquor there and the dividend is 5s. in the £; it is mostly made out of liquor, so the benefit of drinking goes to the consumers of dry goods too. I think there would be about 30 societies all over the country which sell liquor. It is only a matter of policy with us that we do not go into it; it would cause a split. We have no real objection to it.

2607. Except that the temperance party would object?—There would be a split.

2608. You quoted the number of your members as the very large number of 1,709,000?—Yes.

2609. Those are all registered members of your societies?—Yes.

2610. What population does that represent?—It is difficult to say. I was going to say that in some societies they only admit one member of one family, no other member is allowed admission. Then in other societies they admit three or four members of the same family. I should say roughly speaking you might put the population at three times the membership.

2611. That is 5,000,000 of people?—Yes, quite that.

2612. Is this wholly English?—No, England, Scotland, and Wales.

2613. What proportion of the population does that represent?—About one-eighth.

2614. Between one-seventh and one-eighth of the population?—I think you may say one-seventh safely. I have taken a very low average in taking three.

2615. Then I understand you are of opinion that you might serve the interest of the soldier better if he was to establish his own central organisation and not to affiliate himself to your wholesale society?—No; I prefer the central organisation for the purpose of economy in buying, so that one central body could buy for the whole of the canteens; and that avoids that other difficulty which you spoke of just now, of a shifting

population, because you will have permanency in your central body. It does not matter, you might have an officer connected with the central body who was down at Dover and then becomes stationed somewhere else, but it would not affect his position with the central body; whereas if you only had local bodies, every time one was removed there would be a complete change of personnel of the controlling body. Then there is nothing to prevent the central institution, if formed, from joining hands with the wholesale society whenever it found it would pay to do so, in purchasing either abroad or in England.

2616. It might go to Dickeson, Lipton, or the Wholesale Co-operative Society wherever it desired?—Yes, with such a gigantic business it would have the pick of the world; it might go where it liked.

2617. Can you say from your knowledge, or would you prefer my asking Mr. Tweddell, how would you constitute your central organisation—what staff would it require?—You would want men accustomed to some co-operative trade to begin with; they must be experts, of course, in their own trade too; it does not pay to employ a duffer with no experience. We have all experts now, we have had to train them up.

2618. Our central organisation must be officered by experts and not amateurs, not by officers who have no particular expert knowledge of business, but by trained business men?—I mean as the real managers of the affair, those who have to carry it out.

2619. I am not speaking of managers, I am speaking of the central organisation directors?—We make a distinction between committee-men and managers.

2620. You are talking now of the store?—Yes.

2621. I am talking of the central organisation?—I am looking at it from the same point of view. It is quite immaterial to us whether the committee-man understands his business when he comes on; in fact many raw hands come in.

2622. Are you talking of the retail store?—I am talking of the retail store and of the wholesale store too. Some of the wholesale society's directors know nothing about the business when they come on, but they rapidly train on to it, because they have to give up their whole time to it.

2623. What do you pay them for their services?—They are paid by fee per meeting.

2624. I do not want to ask you any trade secrets, but I think all these things are known to the whole world?—I must say it is more than I know; you must ask Mr. Tweddell. I believe it is something like 17s. 6d. a meeting, but I really do not know.

2625. You do not know what the average income that is received annually by the directors of the wholesale society is?—I know it is not very much; it may be 300l. a year.

2626. And you find that sufficient to secure the expert services of the best expert brains?—These are only directors mostly used for consultative or organising work; they are most useful there. Then they meet in their sub-committees with their expert buyers.

2627. Then their business, I understand, their first duty is to study results, and if their experts subordinate to them do not satisfy them, do they get rid of them and get new ones?—Yes; it is astonishing how soon one of these directors can train on to business. He picks it up pretty quickly.

2628. And you see no reason why officers in the Army or retired officers should not form as valuable directors of a central organisation for Army purposes as these gentlemen who represent Manchester form for your purposes?—I think not; but they must have experts to manage the business for them, expert buyers and expert salesmen.

2629. Then their chief duty would be to select good men, and then to study the results and act upon those results?—That would be my view of it. I think that the directors are not elected to do the business themselves, but simply to see that it is done.

2630. To control others?—Yes.

2631. Or to see that they get good men to do their business?—Yes.

2632. (Mr. Harwood.) Do the directors in Manchester give their whole time to it?—They are bound to.

2633. How many are there?—Sixteen in Manchester, eight in London, and eight in Newcastle.

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2634. Are they elected annually, or how?—They retire every two years, but they are eligible for re-election; they are elected from voting papers sent out all over the country to the societies, and the societies vote in proportion to the capital held by them in the wholesale society. I am speaking of the wholesale pure and simple, not the retail.

2635. How can men give up their other occupation for two years, and then get thrown out of work again?—It never happens that they are thrown out if they behave themselves; but if a man makes a fool of himself, as one or two have done, an occasional one, they do get thrown out. The co-operator is pretty quick to detect it.

2636. (President.) But he is not capricious?—So long as they conduct themselves properly and show a fair business ability they will be returned every time they are up for re-election. It is an unknown thing for a man to get thrown unless he has misbehaved himself.

2637. (Mr. Harwood.) Then practically they take it up for life?—Yes; the voting is about 1,800 votes, I think that is the number the highest man on the list generally gets; so there is a good vote all over the country.

2638. (Colonel Lambert.) Did I correctly understand you to say that the South Yorkshire Society that you mentioned pays 5s. in the £ after paying all their rates, taxes, and expenses, labour and everything?—Yes; that is owing to liquor being sold. I ought to say that I think the average dividend of the co-operative societies throughout the country would be about 2s. in the £ after paying all expenses.

2639. Without the liquor; on dry goods alone?—Yes.

2640. (President.) Take one of your stores; we are going to have the manager of the Woolwich store that you mentioned. We should like to have put upon the table his price list which the consumers have to pay for the article supplied?—I believe they published a printed one.

2641. It is open to the Committee to compare it with the price list of the canteens?—Yes. Mr. McLeod is a practical man, the manager of the Woolwich store, and I think he will be able to tell you all about the prices. They can hold their own with anybody in Woolwich. In fact, we have to meet open competition because the members are not bound to the societies.

2642. Do the Army canteens ever go to your co-operative society for their goods in Woolwich?—I do not know.

2643. (Mr. Harwood.) I would just ask you, on what is a matter of difficulty, do you know anything about canteens; it is not only a matter of wholesale distributing, but a matter of retail distributing in the different canteens, which is a complicated question. I suppose that could not be undertaken on the co-operative system?—Yes; that is why I suggest that there should be a central institution to do all the warehousing and purchasing and distributing amongst these different canteens as required. You would be like our branch stores, you would have a branch manager—put a man in charge of the canteen and pay him a salary.

2644. (President.) What price should we have to pay?—That would depend a little on the district.

2645. What price does the man at Leeds have, or at Woolwich?—I am only speaking of a branch now, a branch shop.

2646. (Mr. Harwood.) A canteen?—There is your central institution in London for your warehousing with a head manager and head buyer. Then you have a canteen at Dover and somewhere else. This is your central store; this is your branch store; you put a man in charge there and pay him a reasonable wage, as head shopman.

2647. What would that be?—All prices. You can get a fairly good head shopman from 2l. to 3l. a week in some places; in others they want more; for 3l. you get a capital permanent man. In some places you get them for 35s. or 36s. a week. This man would send into the centre every day his demands. In order to save carriage, this man buying here might be buying from abroad, and he would direct certain supplies to go there and there instead of coming here. It is all

organised in that way throughout our system; the buying is done from the centre, and instructions are sent out to send the things to the branches.

2648. You have given us three centres; you have Manchester, Newcastle, and London?—Yes, but I am speaking of the store itself. This is the Woolwich store with the branches at Plumstead, Erith, and Charlton. McLeod of Woolwich would buy from his centre to fit up all these branches around, and in charge of each of these branches he would have a man at the head of the staff to carry on the business and send in every day reports to him of what he wants, and he sees that the stores are filled up. That is why I propose you should have a central institution to do this work instead of each man doing for himself, which leads to a lot of corruption and bribery.

2649. Supposing the supervising committee at each centre said: "We do not like the stuff you have been providing us, you must give us a new article;" what would that manager do then?—He would send his complaint to the head centre and say he must have a better article.

2650. Could he go elsewhere?—No, he could not go elsewhere. In the interest of this society as a whole it is the head managers' bounden duty to see that each branch is satisfied. If he finds there is some cause for this dissatisfaction he would remove it; but if a man is simply dissatisfied because he wants to go elsewhere he would find it out.

2651. Who is the head of the branch responsible to?—To the head manager of the society, and through him to the committee.

2652. Are the committeemen selected from the consumers in the district?—All round, the whole society. There will be a committee, say, of 12 at Woolwich, a managing committee. McLeod is the manager for them, and then he has secretaries and managers under him, and then they have branch managers in these different localities where branches are established, but these branch managers are all responsible to the central manager. In some societies they have branch committees appointed locally to aid the general committee by advice and by exercising some local supervision.

2653. That branch committee is rather like the Federal assembly elected by these component parts?—Yes, but as a rule there is no separate committee for the branch.

2654. (Mr. Harwood.) Your scheme provides for buying freely in the open market for the central organisation but not for the different branches?—No, because it is one and the same society.

2655. It has run in our minds that this is a possible solution. Supposing there are committees of officers for the canteen at Portsmouth or anywhere else, and they do not want to be compelled to buy everything from the central organisation, there is a strong feeling in favour of their having the benefit of competition. Would it be possible for them to take the benefit of co-operation to the extent that they did buy exactly like private customers; that to the extent that they chose to buy from the central organisation they could have the benefit of the dividend, but could also buy elsewhere?—That would mean a separate society to be established at each canteen with all those difficulties of the chance of shifting which have been mentioned. But if it was simply a branch of a central institution it would not be a case of selling to and buying from; it is simply, supposing this was Lipton's centre and Lipton establishes a branch there, he would not allow his branch manager to buy elsewhere; he would say, "That is my shop; I am simply transferring my goods from there to there; it is part of myself; it is not a separate organisation."

2656-7. No; but what size of units do you suppose would be necessary to work a thing of that kind. When you said a central, do you mean for the whole of the country?—Yes.

2658. Then that would place all the separate canteens practically in the hands of this central association. The central association could buy anywhere, but all the individual canteens would be absolutely in the hands of the central association?—Yes, they would.

2659. They could not go outside it?—As I explained before I know nothing about the canteen system, and there may be a lot of difficulties which I cannot see from my ignorance. It might be better to have

separate societies at each canteen, but for the purposes of economy, from that point of view. I think it would be much better to have one Central Association, if you can get a Central Authority acceptable to all people.

2660. (*President.*) But assuming that you were Colonel of a regiment, you would naturally have great interest in the well-being of your men, and would probably insist upon having a voice in what was sold to them in the canteen?—Yes, but you must not forget that this society would not be formed to make a profit. If it was going to impose on the canteens things that it ought not to send, it would have no interest in robbing the canteen, because it would be robbing to make profits to pay back again. That is the essence of co-operation; there is no incentive to rob because they get everything back after the expenses are paid. Supposing that the canteen is part and parcel of a central body, there is no motive to encourage fraud. If our wholesale society attempted to palm off inferior goods on a local society it would be no gain, because any surplus coming back to the wholesale society would be simply sent back again to the retail societies. That is the difference between a co-operative society established not for profit and a company established for profit.

2661. (*Mr. Harwood.*) There is another point about canteens; could you throw out any suggestion upon this branch of it; that is so say, as to providing them with refreshments which is done by the canteen proprietors now, supper and so forth. Do you see any difficulty about that?—No, none whatever. In your own town, Bolton, you have a society there, with a restaurant, and they are carrying it on very successfully. And there is one just opened at Bradford and they do the thing splendidly.

2662. (*President.*) Do you think that there would be any difficulty in getting the right men for the management of these canteen restaurants?—No, none whatever. As a matter of fact we have people coming to the Co-operative restaurant who think themselves too big to join the store in the ordinary way. They come to the restaurant because it is good.

2663. People who do not join the stores because they do not think it is respectable?—Yes, I know Manchester merchants who think it is far beneath them to join the stores; but they do not object to their wives joining and taking the dividends.

2664. (*Major-General Eaton.*) You say that in supplying your branches from the central organisation, you can close any one of those branches at any time if they are not satisfied?—Yes.

2665. You could not close the canteen?—No.

2666. You would have a regiment without a canteen. So that if, say, four regiments were supplied from a regimental canteen, and any particular regiment was not satisfied with what it was getting?—He could throw it up.

2667. But how, if it was compulsory to be supplied from the central organisation; how could that regiment have a canteen if the central organisation was started for the supply to the whole Army?—That is outside my province, rather. But I do not suppose you

would make it compulsory upon all the people whether they liked it or not.

2668. I think that would be the general idea; that if an Army organisation was started it would be compulsory?—Then if it were made compulsory, of course it ought to be made compulsory on the other hand, on the organisation to satisfy the reasonable demands of every canteen. You cannot have compulsion on one side and not on the other; but I was taking it that there would be liberty of action for them to choose whether they would have co-operation or whether they would go on in their own way.

2669. (*Mr. Harwood.*) Also, did you contemplate liberty of action not only in choosing it first hand, but also in discontinuing it or taking it up again?—Yes.

2670. (*Colonel Bridge.*) It has been alleged that a central organisation would do away with competition. Have you any remarks to make upon that point?—I thought I made it quite clear that you would have far better competition by co-operation.

2671. It would begin earlier, you mean?—You would have a better system of getting the best supplies, because from your very magnitude you could command the very best sources of supply, and they would be only too glad to run after an organisation like that; whereas now your competition is in a degree limited. You would have a higher kind of competition and better sources of supply and, in fact, you could go to headquarters for anything you wanted.

2672. (*President.*) And would not be obliged to go there at all?—Yes, it is perfectly liberty of competition.

2673. (*Colonel Bridge.*) In fact the competition existing now is a retail competition?—Yes.

2674. And you think it better to establish a competition that would begin earlier, a wholesale competition?—Yes, you get into what I should call the higher fields of competition.

2675. (*Mr. Harwood.*) Would you suggest that these canteens should have some representation upon the Central Board of their particular district, so that they could make their complaints heard?—Yes. Of course, the whole scheme is very much in embryo, but I was wondering how it would be to have a general council of government for a central organisation like that, and that each canteen included in the body should send a representative on the general council, and from that general council they should elect annually a small body of directors to control the business for the year. Take the co-operative societies at Basle in Switzerland, a society of 20,000 members. There they say it is too much trouble to have members' meetings, they are too big and vast, so they elect, by the vote of the 20,000 members, a council of 100 each year, and, that 100 forms the business meeting of the society which in turn elects the managing directors, about a dozen of them; and that works very well. So that if you had each canteen represented on the general council, it would always have its voice in the affairs of the institution. I might have been a lot more useful as a witness if I had ever seen a canteen at work.

(*President.*) We are much obliged to you for your evidence.

The witness withdrew.

Major H. J. CRAWFURD, D.A.A.G., Reserve of Officers, called in and examined.

2676. (*President.*) You have personal experience of the working of canteens, I believe?—I have had considerable personal experience which began really when I was in command of the Guards Depot at Caterham, where I had the canteen entirely under my management. I studied the question a good deal there and have kept in touch with it and been interested in it ever since.

2677. Have you had experience of both the regimental system and the tenant system?—I have not had experience of the tenant system, but the conclusion that I have arrived at is that there is no system so good as the regimental system if it can be carried out, I mean from the point of view of the canteen merely. If the regimental system is well worked by officers who are thoroughly competent and take great keenness in it, there is nothing like it, because you get competition. A properly worked regimental system enables the canteen president, or Commanding Officer to deal with one firm and then with another, and so get the very

best terms in the market. But there is no doubt from a disciplinary point of view, and from the point of view of the Army, apart from the canteen, the regimental system must, generally speaking, be given up. The objections to the regimental system are that there is a great deal of corruption. I know it has been going on for years in the Army, and this tends a good deal to lower the tone of non-commissioned officers who have to do with canteens. Again, now that more time has to be devoted by the officers to the training of the men, and to purely military duties, I would not hold with maintaining the regimental system, as a rule, though from the point of view of the canteens alone, it is the best system when worked by able officers. Then if you drop the regimental system, the question is what alternative is there? As to the tenant system in the hands of a contractor, which has been so often spoken of, I cannot see how it is in any sound point of view workable at all, because it seems to me if you hand over your canteen to be managed by a contractor, the

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Commanding Officer is in an invidious position. It is the business of the contractor to get the best profit for himself that he can out of the canteen, and his whole attention is turned to this, while the Commanding Officer has a thousand other things to think of (besides not being an expert), so I cannot help thinking that that system really leaves the Commanding Officer rather in the position of a sheep with a wolf looking after him, and it is an unfair and unsound position, as I look at it. I think another great objection is this: The custom is for the tenant to give a rebate, I think; he does not pay a rental for the tenancy, but he gives a certain amount per head of the men in mess. Surely that ties the hand of the Commanding Officer to a great extent. The Commanding Officer, for instance, may want for reasons of discipline or for reasons of temperance, or for anything of that kind, to alter the hours at which the canteen is open; there are many occasions on which a Commanding Officer has to put his foot down and say, "I want the canteen shut at a certain time," or "I forbid the men to buy this," and so on. Well, if he is in the hands of the tenant who has based his rent on a particular plan of trading, it seems to me that he cannot alter it; his hands are very much tied. I do not know whether I have made that point clear.

2678. You mean that if he wishes to close his canteen at a particular hour, or altogether for the day, the tenant would have a grievance?—Yes, the tenant would come to him and say: "It is all very well, but I have agreed to certain terms, and it is rather unfair on me that you should close the canteen, I lose 10% every time it is closed." I do not see that he is free. That is one great objection, I think, to the tenant system. Another great objection is this: the man who dispenses the beer (I am talking of the wet canteen), should have no interest in the selling, in pushing the trade, in fact; but with an ordinary contractor as tenant it is obvious that he must have this interest. The wet canteen department is very much the most profitable part of the concern; the grocery department is a department which is run on pretty fine, lines where the Commanding Officer, as a rule, cuts down the price of groceries as much as possible in order to give the men every advantage in the way of cheap food for their messing. That being the case, of course, the wet canteen is the great source to which the contractor must look to recoup himself and get his profit and I do not see how he can possibly do otherwise than push the trade. I do not say that he is not a conscientious man, but it is just human nature that if your bread and butter depends upon a certain trade, of course you push that trade as much as possible, and although, I understand, contractors are bound down, and sign promises not to do this, having myself had experience of written stipulations of this kind, I do not believe in them a bit. They can be easily evaded.

2679. You are referring to the bar attendant?—Yes, under the tenant system.

2680. That it is the interest of the contractor to push the sale of liquor?—Yes, and then comes the question, what is the alternative? If there are these objections to the tenant system, I think the only way, the most satisfactory way of working the canteen, if you do not work it regimentally, is to work it on the co-operative system. I have been myself connected with a co-operative society but I do not wish to speak for any particular one. I say that a co-operative society is in a position to undertake the management of the canteen while yet having no interest whatever in pushing the sale of beer or anything else. I think that a co-operative society could come forward to the regiment and say this: as you do not wish to run your canteen on the old regimental plan we will take over your canteen, we will manage it for you, and we will pay you back the profits; you shall see the accounts and we shall pay you back all the profits after paying working expenses. I think that a society like the Canteen and Mess Society, or some society founded in that way, is perfectly able, and is in a perfectly sound position, if it says this, because it is an Army society that is managed by officers in the Army, and its interests are identical with those of the regiment. It is so constituted under its rules that nobody has any interest in doing otherwise than running the thing fairly and squarely, keeping the accounts straight, and so on.

2681. Are you a director of the Canteen and Mess Society?—I am not now. I had a great deal to do

with starting the society. I started it when I was in command at Caterham. The main idea I had in doing so was on account of the great amount of corruption which I considered was doing great harm in the Army, and it struck me that if you could get behind these contractors and buy on co-operative principles from the big co-operative depôts that are distributed all round the country, it would be a very great advantage. I worked it out in figures, and I found that there was a very large money advantage to be gained too in that way, that you saved in all kinds of directions by dealing with these co-operative societies, and you turned the flank of the demoralising influences that are brought to bear upon the noncommissioned officers.

2682. To go back to your Canteen and Mess Society, how many canteens is it managing now, do you know?—I am not closely in touch with it now.

2683. Does it buy from the wholesale co-operative societies at all?—It does to some extent.

2684. And wherever else it likes?—It buys wherever it likes; that is one great advantage; it goes into the wholesale market and buys from the cheapest source.

2685. It does not use expert buyers of its own, does it?—Yes, it does.

2686. And your opinion is that it would be possible to establish a separate organisation for the supplying of the Army canteens all over the country?—Again I am very much in favour of competition, and so I am against establishing any one society to supply the whole Army. I think it would not work well, as I am very much in favour of competition. I am very much in favour of the regiments dealing where they like. I do not think it ought to be taken out of the hands of the regimental Commanding Officer to deal where he likes. What I think would be the best arrangement from the point of view of the Army is this. The Canteen and Mess Society was started, and has been worked purely as an institution for the whole Army, exactly in the same way as the regimental canteen which is in the barracks, is an institution for the supplying of the men in barracks, and I do not see a bit why you should not have a co-operative society supported by the War Office as a War Office institution supplying regiments in exactly the same way, on the same sort of lines the Army institutions in barracks supply the men. The men are allowed to go to their regimental canteen and to buy their goods there, or if they like they can go out and buy them in a shop outside, and I do not see why you should not have a big Army institution and allow the Commanding Officer either to deal with it or to deal with the contractor outside in the same way. Ever since the Canteen and Mess Society was started I always hoped that it would receive support from the War Office and become an Army institution, a big Army canteen simply on a larger scale than the system of the regimental canteen, and I do not see why that should not come about. Then you would leave the Commanding Officer free either to deal there or to deal with the contractor, and let him work it out. I think that would be a very good competition. I think it would be a great thing for the Army to have a co-operative system in full working order, and at the disposal of the Commanding Officers if they chose to avail themselves of it.

2687. (Mr. Harwood.) You think it ought to be optional; you seem quite strong about that?—I think competition is healthy, and I think that a big institution to supply the whole Army would suffer from want of competition. I think competition does everybody good.

2688. And you would leave the decision to the Commanding Officer of each canteen, I presume you mean?—Yes, of each canteen.

2689. There has been one Army inquiry which recommended district contracts, as distinct from canteen contracts, what do you think of that?—I am very much opposed to that.

2690. That is of course taking away the element of choice?—The Commanding Officer is the proper person to run his regimental canteen; he is the officer that the men look to to look after their interests, and in every way it is his duty. I think this district system of contracts is a great mistake. I know Commanding Officers as a rule do not like it at all, and if I was a Commanding Officer I should not like it at all.

2691. You would make the unit the canteen and not the district?—Yes, I would make the unit the canteen,

I would leave the Commanding Officer free to go back to the old regimental system if he liked. I know some canteens now which are the best canteens going, simply because they have an officer (the Commanding Officer or some one) who is a first-rate man of business, and takes a great interest in the thing, and if you get a man like that nothing can beat it. I would leave the Commanding Officer free either to have the regimental system or, as an alternative, to deal with an Army co-operative society, a big Army canteen institution.

2692. Your recommendation would not at all be possible in the direction that has been suggested to the Committee of applying co-operation individually to the soldier; that is to say, so that the soldier, like the civilian, could accumulate a fund on his retirement from the Army by means of the profits, just exactly as in a private co-operative society?—Not having thought it out I should be sorry to give an answer, but I do not see why you should not have some big society which should have that as a feature of its working.

2693. (*President.*) We have had a great deal of evidence here to the effect that it is most undesirable from the point of view of discipline to have you canteen manned by soldiers, your employés in the canteen taken out of the active pay list. What is your view on that point?—That would be my view as regards non-commissioned officers and men, certainly. I do not think there would be the least harm in officers having to do with the canteen.

2694. In the management of your canteen on your plan where would you get your bar tender and all the canteen men?—Either retired soldiers or civilians.

2695. You do not anticipate then any difficulty in getting the men you want?—Not the least.

2696. And you have had none up to now in the canteens that you have been connected with?—No.

2697. (*Colonel Bridge.*) I do not quite follow the difference you suggest. As it is now there is free competition between the contractors and this society that you have been speaking of—the Canteen and Mess Association?—Yes.

2698. Then the sole difference you would make to it now is that you would have this Canteen and Mess Association taken by the hand, as it were, by the War Office?—Yes.

2699. And yet you say there should be no compulsion to go to it?—I do say that.

2700. Do not you think the fact of taking up a society like that in a half-hearted way is more likely to do harm to that particular society than to do it good?—I think if it really genuinely became an Army institution, the advantages of dealing with it would be so obvious that I think most Commanding Officers would at once choose to deal with it. I may say my point is this. The Commanding Officers I think should be left free, either to deal on the old regimental plan or to deal with an institution of this kind. I am not in favour of letting Commanding Officers enter into contracts and arrangements with very sharp men of business—some of them not over scrupulous—who offer to run the canteens for Commanding Officers.

2701. My suggestion was rather that yours was a half-hearted sort of support, that you were suggesting either to take up this thing as a War Office institution or else to leave it alone altogether. If you take it up as a War Office institution I think you would be putting it down the throats of Commanding Officers, and they will not like that?—I should not put it down the throats of Commanding Officers.

2702. If you put it under the wing of the War Office directly like that would it not be very much so?—I do not see why the Commander-in-Chief should not say that Commanding Officers are at liberty either to manage their canteens on the old regimental system, or, if they wish to avoid all the trouble and bother of that system, then that the alternative should be to deal with an institution which is an Army institution which is run perfectly openly and straightforwardly, and which will run the canteen for you and return all the profits to the regiment.

2703. Then you mean to make it impossible for an outside tenant to come in?—I think there are so many objections to the tenant system that I should make it impossible.

2704. (*Major-General Eaton.*) What would you consider the actual advantages to the soldiers of employing

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the Canteen and Mess Society in place of a tenant?—I think as a co-operative society (I do not wish to pin my suggestion to any particular society) returns all its profits to the soldier, it seems to me the soldier must get an advantage.

2705. At present the Canteen and Mess Society—I only mention them because they are in existence—are supplying some of the messes now, and in comparison with Dickeson's—I am only taking him as one firm of contractors—there is no difference in the profits to the men, and the men do not get any better supplied?—That is entirely due to the very abnormal conditions under which the Canteen and Mess Society has come into the field with absolutely no support of any kind from the War Office; rather frowned on by the War Office, if anything. It came into the field, with the contractors banded together to snuff it out, as any co-operative idea is very much to the distaste of the ordinary trader in the country. I do not think you can in the least judge by the profits that are returned, because I know lots of instances in which the Canteen and Mess Society has offered to return a maximum profit, and directly that has happened the contractor alongside has bid a bit more, and so on. It is a mere matter of having a large capital and knowing when to spend capital in cutting out a rival.

2706. But I do not see where the gain to the soldier comes in if the Canteen and Mess Association is to be subsidised by the War Office, if he does not get better food and more profit?—I say he will get very much better food and more profit; he must, because all the profits go back to him.

2707. (*Mr. Harwood.*) You did not contemplate subsidising, did you?—No.

2708. (*Major-General Eaton.*) How would you propose that the War Office should assist the Canteen and Mess Association?—I should be sorry to go into details, but I do not see why an Army institution should not receive just the same support from the War Office that the regimental institution in every barrack receives.

2709. We want to know what support would you suggest that the War Office should give to the Canteen and Mess Association?—I should suggest, to begin with, that they should proclaim that it is an Army institution; that officers were either detailed or allowed to serve upon the committee, just as they serve on their own regimental institute committee, and I should give them every advantage in the way of accommodation, when there is accommodation available, and all those advantages that regimental institutes get. It seems to me obvious that what is to the advantage of the Army in regard to the regimental institute would be just as much an advantage to the Army in regard to the larger Army institutions.

2710. But proclamation is not very successful. I do not see what they would gain by a proclamation of being supported by the War Office. They would get nothing?—You know what I mean by proclamation.

2711. I do not see where the advantage comes in. It would only be a case of the War Office supporting one firm against another; that is what it amounts to?—Except that it is not a firm.

2712. It is a company; they have to make a percentage to pay their shareholders, for instance?—You can call it a company so far that they have a certain amount of capital, they have a small amount of capital, and in order to get that capital they obviously must pay interest. It is not a company in any other sense of the word; it is absolutely different from a company. It is a purely disinterested concern.

2713. But it is hardly disinterested when you get 5 per cent. for your money?—What less would you have? If you put your money into the Canteen and Mess Association what interest would you expect?

2714. It is a trading concern?—Oh, no, I do not call it so the least in the world. Five per cent. is nothing much.

2715. (*President.*) I suppose you would be content with less than 5 per cent. if your credit were sufficiently good to enable you to borrow money at a lower rate?—Yes.

2716. You are, no doubt, aware that all co-operative stores when they are well established can borrow at $3\frac{1}{2}$ and 4 per cent.?—Yes.

2717. But they have to begin at 5 per cent.?—Yes.

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2718. You would say in this Canteen and Mess Society, to be patronised by the War Office: Let us get the small capital that we require to run the central organisation at as low a rate of interest as people would lend their money for?—I think the Army institution should be entirely run on the capital of the canteens themselves, it being a guaranteed concern. In fact it should be capitalised by canteen funds.

2719. Your canteen if it is to buy cheaply has to pay in cash at the time of its orders?—Yes.

2720. Otherwise it will not buy advantageously?—No.

2721. Where is it to get its cash from, from the affiliated canteens?—Yes.

2722. It has been suggested to us that we might federalise really the whole of the canteen system in the Army, that is to say, have a central institution in London which should be the federal representation of the various branches. Taking your six Army Corps you might have six big branches and each of those branches would be the medium between the central organisation and the local canteens in their district. That I understand is the scheme you recommend?—Yes, that is what I recommend, and that is the idea with which the Canteen and Mess Association was started; it is a federation of canteens.

2723. Then I understand that the local canteens would not be compelled to buy through this organisation, but would only have the option if they thought their interest required it?—Yes, because I think any compulsion is a mistake. I think Commanding Officers ought to be allowed a free hand.

2724. You hold a very strong opinion that the colonel of every regiment should have his canteen under his own management?—I think so; and he should be left very free, except that there ought to be certain restrictions.

2725. (Colonel Bridge.) But you would desire that this patronage of the War Office should go a little further, in so far as giving it special privileges?—Especially that one of the capital being found from the canteens themselves. The reason that the Canteen and Mess Society has a certain number of shareholders receiving 5 per cent. on their money (which is not a very great interest) is simply that some officers who were keen about starting this federation of canteens risked their money, put their hands in their pockets and found the capital. Turning then to another point that has been, I believe, referred to, of course, the number of officers interested in the Canteen and Mess Association as compared with the officers interested in the other big firms who supply the canteen system is very small. Perhaps there may be 20 officers at the most (I am speaking from memory), shareholders in the Canteen and Mess Society, and I suppose in the share list of the big contractors, like Dickeson and Lipton, who supply the Army, you will probably find several hundred. I know in Dickeson's there are a large number, and in Lipton's there must be a good many.

2726. (President.) They are all preference shareholders, not ordinary?—Yes, preference.

2727. (Major-General Eaton.) Still 5 per cent. is good interest for your money?—Is it?

2728. (President.) Let me ask you a question upon that question of interest. Would you see any difficulty in every canteen sending its representative up to the branch committee. I understand you are going to have six Army Corps under the new scheme?—Yes.

2729. You might have the wholesale branches, the centre of each one of the Army Corps?—Yes.

2730. And every canteen within the district of that Army Corps might have the option of sending a representative to the council of this wholesale branch?—Yes, quite so.

2731. The wholesale branch again would have the power of being represented upon the central association wherever it might sit, probably in London?—Yes.

2732. Then, in order to get the capital required to purchase for the requirements of your canteens it might be provided that no canteen should be able to buy through this organisation unless it had a certain amount of share capital in it?—Yes.

2733. Then the capital would be provided by each canteen?—Yes.

2734. That, I understand, from listening to your evidence is the plan you rather favour?—I do not think share capital is necessary, because canteens always have funds, there is always a balance in hand. Every canteen fund has a fairly good balance at the bank, and I think the way this capital should be utilised is that the balances should be in the hands of this society, instead of lying idle in the hands of the banker. I think it would be very much to the advantage of the Army that the canteens funds should be used by a central society to buy with advantage for them instead of lying at the banks.

2735. Does not that introduce the compulsory element, if you, as regimental officer felt that your balance at the bank must, even against your wishes, go into the hands of a central organisation, the management of which you distrusted, would you not be opposed to it?—But I should not distrust it if it was a War Office concern.

2736. You might not individually, but other Commanding Officers might distrust it?—Then they need not deal with it. My point is, that I should leave Commanding Officers free to deal where they like; but directly they have sufficient confidence to deal with the central organisation, I should say: all right, send in your 200*l.* into the funds of the association, let the funds lie there, and we will employ them in buying to the best advantage for you for ready money.

2737. That is why I put the question before. If they are to be allowed the privilege of trading through this organisation, they have to supply a certain amount of capital?—Yes, I think that is one way of doing it. You said share capital.

2738. But you would have to apply the same rule to all. It would not do for you to supply all the capital and me none, somebody would have a grievance; so that you must have a regulation which should make it a condition of your receiving the benefits of the central organisation that you would contribute in proportion to your strength, or according to some rule as the proper basis, whatever might be agreed upon, your quota of capital for the purpose of the central organisation?—Yes.

2739. That appears to me to get rid of the objection of General Eaton about the 5 per cent.?—Quite so; there would be no 5 per cent. then.

2740. (Major-General Eaton.) Then the soldier loses? Instead of the 5 per cent. going to the shareholder it goes into the soldier's pocket.

2741. But the soldier loses the profits which his Commanding Officer would spend in running this society; the soldier would not have that money to spend in the ordinary way in the canteen; the individual soldier would lose; the Commanding Officer would not have a fund at his disposal to do what he can now for the benefit of his men, it would only go to bolster up the society?—I should not put the whole money in or drain off the whole profits in that way into the society. The Commanding Officer has always money enough to draw cheques for all he wants. Supposing there were 400*l.* to the credit of the canteen in the bank, I should say put 200*l.* in our drawer; and besides there is no reason why they should not use this society as a bank, and draw a cheque on the society.

2742. I cannot see where the advantage comes in in the War Office taking up one firm, so to speak, instead of another?—You must understand, of course, that I do not in the least say that it should be the Canteen and Mess Society. I am talking generally.

2743. Yes, so am I, but I do not see where the advantage comes in.

2744. (Colonel Lambert.) Is there any limit to the amount which may be held by each shareholder in the Canteen and Mess Society?—200*l.*

2745. That is the maximum?—It is registered under the Industrial Societies Act, and that is the maximum.

2745a. To follow up General Eaton's question. If the War Office started a similar society to the canteen and mess, inside itself, it would practically wind up the Canteen and Mess Society, would it not?—The Canteen and Mess Society would have to fight its own battle, it would be left out in the cold, it does not necessarily follow that it need be wound up.

2746. It need not be, but if a similar society on similar lines were started inside here, would not that probably be the result?—Yes, I beg your pardon. It would knock the Canteen and Mess Society on the head,

of course, because the Canteen and Mess Society would be a co-operative society unrecognised competing against a co-operative society which is recognised and has all the advantages, so that, of course, it would go to the wall at once.

2747. And in that case the shareholders of the Canteen and Mess Society would suffer or gain, or whatever it might be, the same as any other Army caterers outside?—Yes, quite so.

2748. (*Mr. Harwood.*) Do not you think that if it was a part of the scheme that so much money was to be found in each canteen that joined in this trading society they traded with, it would act as a great deterrent to their trading? Do you not think it would deter Commanding Officers if they had to pay down 200*l.* or 300*l.* out of their fund immediately they began to trade with the society? You have to draw them on gradually. This society or any other society would be no good unless it can sell cheaper and better than others. You want them to begin buying with you. A man says, "I will buy two cwts. of cheese and try it." "Ah, but you cannot begin buying from us unless you put down 200*l.* towards the funds." Do not you think that would deter them?—Yes, I think in that way it would. I do not see what objection a Commanding Officer could have to placing the balance of the canteen funds that he is not going to use into the hands of a society with which he is dealing, and the profits of which come back to the soldier rather than leaving it as now, when it stands in the hands of Messrs Cox and Company, or some bankers who simply use it for their own advantage. I have always thought there is a tremendous waste from the point of view of the Army in this enormous capital simply lying at the banks.

2749. But, according to General Eaton, the General may spend this money, which comes to about 7,000*l.* a year in some cases, of profits, on all kinds of things for the soldier. They only keep a working balance in hand now, do they; they do not keep all of it?—They keep more than a working balance; they keep a working balance plus (I think I am right) a good balance as a sort of guarantee of their credit, a sort of margin; and it is that margin which I think would be so very much better employed if it was employed in buying to advantage.

2750. (*Major-General Eaton.*) But by the regulations they are not allowed to make more than a certain profit?—I am connected now with canteens at Dover, as I am on the staff at Dover, and I know there are very large profits made there, especially in one canteen that is very well managed.

2751. (*Mr. Harwood.*) Your idea is that that sum which they are always obliged to have in hand they

might utilise as capital, if they work this thing for buying?—It seems to me a pity to leave it in the bank doing nothing.

2752. (*Colonel Bridge.*) This question of how far the Canteen and Mess Society is a trading society making profits for its shareholder's wants following out, I think. May we take it that the capital in the society, that you spoke of at 5 per cent., is only to be looked upon a purely temporary arrangement to float the society until it becomes self-supporting?—Purely.

2753. What I mean by self-supporting is until it is able to provide its own capital and pay all its profits to those who deal with it?—Yes. When it was started it was felt that in order to make a start it was necessary that some few of those most interested in this experiment should put their hands in their pockets and give it a start, and the rules are so framed that so soon as those shareholders can be paid off they will be. Then the whole thing will belong to the canteens themselves: in fact there are a certain number of canteens belonging to that society who are already shareholders. The new system of canteens becoming the owners of the Canteen and Mess Society has already begun.

2754. Then we may take it that these people who put their money in did so more as a philanthropic movement than as a money-making thing?—Entirely. I do not know whether the shareholders have changed lately, but all those who went in first went in it absolutely and entirely from that point of view. And with regard to the 5 per cent. the auditors who were consulted in forming the society said that 5 per cent. was really not an adequate amount to attract the capital that was wanted, and I think that has rather proved to be the case.

2755. (*Mr. Harwood.*) It has been called to our attention that where the co-operative principle has worked amongst the industrial classes, the capital for working it is found by the societies practically acting as bankers for the members: I wanted to ask you whether that idea would be at all possible in any society formed here—whether we could act as bankers for the canteens' funds, and so provide ourselves with capital for working expenses without really calling upon any shareholders at all?—My answer is that that is possible, and has to the best of my recollection been carried out already by the Canteen and Mess Society.

2756. You know that by the regulations they are compelled to hold certain balances—that they must have a certain minimum. If we could act as bankers for those balances we could find ourselves with capital at once, because they are compulsory?—Perfectly; you could find all the capital that you want.

The witness withdrew.

Adjourned to to-morrow at 11 o'clock.

FIFTH DAY.

9 April 1902.

At the War Office, Pall Mall.

Wednesday, 9th April 1902.

PRESENT:

THE EARL GREY, *President.*

GEORGE HARWOOD, Esq., M.P.
Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE, A.S.C.

Colonel J. A. LAMBERT.
Major L. A. M. STOFFORD, D.A.A.G.
Captain F. C. BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary.*

The Secretary read the following letter:—

"My dear Foote,

"It has been suggested to me that my experience of canteens in the Service might help to throw light on the subject of your Committee's enquiry, and I therefore venture to write to you some of the thoughts which my long acquaintance with the systems at work have originated. There seem to me to be two principal sides

to this question: First, that in which the drinking at the canteen affects directly and indirectly the whole moral tone of the Army. Second, the commercial side, in which fraud of all kinds enters in, accounts falsified, bribes given and taken, profits unlawfully made, or wasted as to their just application to the benefit of the soldier. The first of these is by far the more important

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in the best interest of the Army, and has only to do with the management of the canteen proper with its music hall accompaniment. The second, important though it is, only affects the Army itself directly when soldiers on full pay are themselves engaged in the sales or management of profits and become fraudulent. With regard to the second, the employment of big firms of supply, who have something to lose by misbehaving, close surveillance of price lists and quality of articles sold, and the non-employment of soldiers in connection with profit making are the best safeguards. The first tends more to destroy the morale of the Army than perhaps any other thing, though the sergeants' mess in some cases presses it closely. We took a downward tendency when General FitzWygram and others (with the best of intentions) brought in the music hall as an adjunct to the canteen. The publican, whose object is naturally profits, had found this pay so well that it had become almost universal, and we copied it to retain the men inside barracks of an evening, and so prevent their getting bad liquor and worse moral surroundings outside. No doubt our profits have very considerably increased by this move, and we are tempted to forget how. The music hall (with the drink bar inside it) tempts people into a public house to hear the music, &c., who would otherwise never enter. This increases the number of customers, and it retains those for hours (until they have drunk much more than they are aware) who would otherwise only make a short call. Introducing this into barracks, we introduced its bad consequences, and with an ostensible purpose of keeping the men from mischief outside, took on ourselves the responsibility of producing a home manufactory of drunkards. We also relax all the bond of discipline; for the half drunken crew in our music hall at the end of the evening is amenable to no authority, and, but for the easy going 'roll call' of to-day, would give no end of trouble, and fill our barracks with brawls. What would be the condition of men on a sudden night alarm, after pay, must be left to the imagination! We teach our non-commissioned officers that their instructions to maintain order, &c., are not meant to be carried out, in fact, are impossible to carry out. After the music hall is over, a number of men, steadily enough to do so, go out into the town to the very places we fondly thought we were keeping them from, and with appetites whetted by our drink and entertainment, finish the evening there. Moreover, these inducements in barracks are, after all, given by the very artistes of the low music halls outside; for the whole thing is done by contract, and the companies of singers and actors go the round of canteens

and the low town music halls, and our canteens thus (instead of taking the wind out of the sails of the low places of amusement) become their best advertisement and assistance. The very first reform needed, and it was urgently needed, is the one the Commander-in-Chief has begun, viz.:—taking the amusements out of the liquor bar and canteen, and placing them in the surroundings of the coffee and recreation rooms. The canteen proper, which should be in an entirely separate building, should become a respectable beer shop only, with biscuits, bread and cheese, and any other simple light refreshment, to be taken along with the beer if desired; and be made clean, decent and comfortable, without attractions which would increase the number of its customers, or retain them for long hours of boozing. No expense to the public is incurred in such a change; for the financial condition of the institutes would enable the borrowing of sufficient money doubtless in every case to build the small canteen required; while the big buildings with their music hall, etc., could be made the centres of healthy recreation of an evening for all who would come—the regimental band, as well as the officers, and even the ladies, from time to time helping to make a pleasant and harmless evening. The men going out of barracks have to dress properly, and run the risk, if unsteady, of being observed and punished, and while in the town could fare no worse than other classes; while we are free of the responsibility of causing an enormous amount more drunkenness and drinking habits than would probably be ever known in the Service. I need hardly add that the days are past when drunken soldiers of bad character can be regarded as efficient fighting machines. Modern conditions require men who, with a sense of honour and love for their country, can be trusted to take independent action, and fight alone, if necessary, and these can only be reared in moral surroundings, and where, speaking broadly, it is made comparatively easy to do right and hard to do wrong. We, alas! in barracks to my thinking have for many years been going the other way. We have tended to make it easy for men to do wrong, and very hard to do right. The provision of a suitable coffee shop and recreation tent is much needed for our summer camps. Wherever the British Army camps the canteen follows at once, and the thirsty crowd on arrival at the ground find plenty of beer; but, generally speaking, no coffee or temperance drinks, and naturally many have been tempted to break through a rule they had made, and lose a position they find it hard to recover.

"Yours very sincerely,

"E. O. HAY. 7/4/02."

Mr. A. Minto
and
Mr. T. R.
Smith.

Mr. ARCHIBALD MINTO and Mr. THOMAS R. SMITH called in and examined.

2757. (*President to Mr. Minto.*) Will you kindly tell us what position you hold in Lipton's, Limited?—I am buyer and manager of the Military and Naval Canteen Department.

2758. Your duties in connection with Messrs. Lipton are confined to that branch of their business—

2759. (*To Mr. Smith.*) Will you state what your position is in the firm?—I am a director of the company and manager of one of the departments.

2760. But with no special reference to the Army and Navy canteens?—No, except as a director.

2761. The general business?—Yes.

2762. (*To Mr. Minto.*) How many canteens are you managing?—On the tenant system for the Army, do you mean?

2763. Are your operations confined to the United Kingdom?—No; we are the tenants on the tenant system of the 2nd Infantry Brigade at Aldershot, the garrison canteens at Omagh, Waterford, Londonderry and Clonmel, in Ireland; of the Royal Horse Artillery, St. John's Wood; and the 3rd West Yorkshire Regiment at Chatham. We are also supplying the Royal Garrison Reserves at Malta, and, I think, two Infantry Regiments, the Royal West Kents and the Derbyshires. I am not certain about the Derbyshires, but it is two that we are supplying there; and we are also tenants for the Maryhill Barracks at Glasgow.

2764. Then this is a separate department of your business. You keep books for this business?—Yes.

2765. First of all, may I ask you, how long have you been running canteens on the tenant system?—I do not think it is about two years. We have been

tenants of the Militia coming out in the summer time, say, four or five years ago, but I would say it is between two or three years since we began on the tenant system. The first big tenancy we have had is the Infantry Brigade at Aldershot, which we only started in January.

2766. Have you published any returns of your business?—None.

2767. But, I suppose, in your next balance sheet you will do so?—For the Military Department alone we do not publish any balance sheet; it is all mixed up with our general business in one balance sheet, which is Lipton's, Limited, own balance sheet, and includes the whole of our business, not that of any department. (*Mr. Smith.*) Might I ask what it is that you would like to know?

2768. I wanted to know whether you were in a position to inform the Committee what turnover you have had, and what profits you make upon your turnover; because, I suppose, you do not enter into this business for philanthropic reasons, you enter on this business as good business men to make a profit for your shareholders?—Certainly. We entered on the business with the idea of doing much more than we have done, and of its being a much better paying business than it is. I do not think that we should have any objection to giving you the actual figures, but it would be a matter that would have to come before the directors; it is rather an unusual request to be made.

2769. I do not wish you to give up a trade secret?—I think it is a secret that we should not mind disclosing, but it is a matter I must necessarily put before my co-directors. It is an unusual request to ask us to

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disclose the profits of a special department, but I do not think there would be any objection; not that I see that it would be much good to you, because it is rather difficult. One thing about it is, you ask for the profits. What would you call the profits—the actual profits of the canteen department, or would you consider our wholesale profits as manufacturers?

2770. Before we discuss that, perhaps, you will explain to the Committee what the actual contract which you make is with the Commanding Officers?—Mr. Minto will tell you that; he knows all the details. (Mr. Minto.) In taking up a tenancy we offer a rebate, the amount of which varies in different cases. We undertake to sell goods at retail prices, such as garrison prices.

2771. What is the character of your rebate?—It varies from about 7l. 10s. up to 20l., which we pay just now at Aldershot.

2772. As much as 20l.?—Yes, it is 20l. for the Infantry Brigade at Aldershot.

2773. Twenty pounds per 100 men per month?—Yes, that is the largest rebate we have ever paid.

2774. That is a recent arrangement?—Yes, very recent.

2775. Is it based upon the experience of the profits you have made?—No. We did not consider that we were getting fair play as contractors, and we were told that we had little chance of getting the business, that it was likely to go to Dickesons; and we made up our minds as we had a full staff at Aldershot, and were always doing a good business there, that we would make a bold bid for the business; and we got it. And we believe we can come out of it without a loss, possibly with a profit, from the fact that the cartage and working expense is nothing extra to us at Aldershot, as we have a staff there. If we had lost all the business at Aldershot, it meant closing up all our department there, losing 7 to 10 years' lease of the premises, and with, perhaps, 2,000l. worth of goods on hand; so that it was worth the risk. We do not know how we shall come out of it yet, but we think that by working economically, being placed as we are, we shall be able to clear ourselves.

2776. You pay 20l. per 100 men per month?—Yes.

2777. Do you hand over the surplus profits to the regiment?—Yes; that is the agreement; any surplus profits that may accrue.

2778. Could you hand in a copy of the contract?—Yes, I could; I have not got it with me now. I have only a blank form (*handing in the form*.)

2779. That will do?—The only thing to be added to that is the fact that any profits that accrue after we pay the rebate and take a percentage for our working expenses, that is, supervision, carriage, and so on, we will hand back to the canteen.

2780. That is what the Committee wish to arrive at a knowledge of. You pay first of all your 20l. rebate?—Yes.

2781. Then you deduct a certain percentage for your working expenses?—Yes.

2782. What percentage is that?—We have not made it up. We should require to calculate what it would come to. We have been only running about two months.

2783. But you enter into contracts with Commanding Officers on business terms?—Yes.

2784. And you must have a definite arrangement upon these points; they must have been carefully considered both by you and them, the two contracting parties?—Yes.

2785. I want you to tell us what form of contract you enter into with Commanding Officers?—That was the form in those words, as I have handed it in.

2786. Will you explain to us exactly what charges, then, you credit to yourselves before you hand over the surplus profit to the soldier?—From the figures I have made, only that over and above the supervision and cartage of goods, &c., we require to add about 7½ per cent. to what we say would be available or divisible profit.

2787. I do not quite understand. You credit yourselves with 7½ per cent. on what?—No, we debit

ourselves; that is to say, we debit the 2nd Brigade canteen up at the wholesale prices; then we take off the rebates, and then we take off a certain percentage, we have not yet arrived at what it may be, for the supervision; we have to work it out yet; but so far as I can see I do not think there would be much left after we pay even the 20l.; but I cannot tell (I did not know you would want us to do it) until perhaps at the end of six months. We have no set time for giving what our actual expenses are, but we pay the rebate regularly every month. Then there is the cost of entertainments to come off, and such things as that. Roughly speaking I made it to work out that something like 7½ per cent. were our charges against the profits, after paying the rebate.

2788. Then you deduct from the rebate the 7½ per cent.?—No, after we pay the rebate.

2789. Seven and a half per cent. on what, on your turnover?—Yes.

2790. That does not look like paying any surplus profits to the soldier?—No.

2791. You cut it very fine?—Yes.

2792. In fact you paid rather a higher rate than usual in order to secure the trade?—Yes.

2793. You are probably facing a loss with a view of increasing your business?—Yes, we thought we would come out of it, with our premises there and manufacturers' profit—having that profit to fall back upon; but if we only had that business to do it would not be worth having.

2794. How are you going to get back your 20l.; how do you make your profits?—The profit is principally made off the beer.

2795. And you have to push the sale of beer in order to make your profit?—I would not say that; but it must be admitted by everyone that the profit is not on the groceries, but on the beer. I look upon the rebate to be paid principally from the beer.

2796. Do you choose your own brewer?—Not in the case of the Infantry Brigade at Aldershot. I think we are unfairly treated there; because the brewer was fixed, and we had no option but to take that brewer.

2797. Is there any canteen in regard to which you are allowed to go to what brewer you like?—Yes.

2798. What canteen is that?—I think in some of the Irish ones we were left open, but we kept on with the brewer that was there; I think it is McArdell, Moore, and Co.

2799. But you have the power of selecting your own brewer?—Yes, in some instances when we contracted for the Royal Garrison Reserves at Malta we were bound down to the brewer.

2800. The Commanding Officer reserves to himself the right to select the beer?—Yes.

2801. Has there been any complaint against the beer that you sell?—None at all, we have had no complaint at all.

2802. What beers do you supply?—At Aldershot it is all Simmonds' beer for the 2nd Infantry Brigade; and I am not sure about Ireland, but I think there is a local man at Waterford, but I do not remember his name just now. The Royal Horse Artillery at St. John's Wood is supplied by Ind, Coope, & Co. under contract with the Home District Office, and the West Yorkshire are supplied by Simmonds of Reading. This business was practically secured by Simmonds, and they handed over the grocery bar to us as tenants.

2803. Then I understand from your evidence that your profit comes out of the sale of beer?—Yes, principally.

2804. And you sell your dry goods as near cost price as possible?—Our dry goods are sold very close, but our firm being manufacturers of a great many articles which we supply we have the manufacturers' profit which no other firm has got in this business; and our buying powers are such that we are in a better position than any other firm that has ever handled this trade, either in tea, sugar, coffee, cocoa, jams, confections, &c.

2805. Will you kindly tell the Committee what are the articles that you manufacture yourselves?—Do you mean, manufacture or import ourselves?

2806. I understood you to say that the canteen was the means of selling articles that you manufactured

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yourselves, and out of which you made the manufacturers' profit?—Yes; you could almost in that phrase include tea and sugar, as we import those direct ourselves. Sugar we buy and import direct from the West Indies. Continental sugar we buy from Continental refiners, and home sugar from home refineries.

2807. Have you a buyer in the West Indies?—No, buy in public sales—first hand here.

2808. Who is your taster; have you a taster for tea?—Mr. Smith is the head of that department, and he has got six experts with him. The tea comes home, a great quantity of it from our own estates in Ceylon; we use as much of that as we can. (Mr. Smith.) We have buyers in Ceylon and in India also.

2809. But you are producers as well as buyers?—Yes.

2810. What bulk of tea do you produce?—It is a large quantity, as a quantity, but it is a small quantity compared with what we handle.

2811. It is only a small percentage of the amount you handle?—Yes, but then we have buyers in Calcutta and Colombo who are shipping home to us all the time, apart altogether from our estates.

2812. (To Mr. Minto.) What other articles are you importers and manufacturers of?—Take biscuits; we have a large biscuit factory in Glasgow, and we can sell our biscuits cheaper than anyone. Or take jams; we have a factory at Bermondsey where we turn over about 120 tons of jam a week. Then we have sausage factories where we turn out about 60 tons of sausages a week.

2813. Naturally your canteens are agencies for the sale of your biscuits, and your sausages and the other articles that you manufacture?—A very small proportion; we have over 400 branches all over the country. That is the outlet for our goods.

2814. 400 shops?—In England, Ireland, Scotland, and Wales.

2815. Retail shops?—Yes, retail shops in every town you might say in England, Ireland, Scotland, and Wales. That is our outlet for our manufactured goods. Ours is a great business altogether.

2816. I do not want to ask you any trade secrets at all; if I ask you anything that you do not wish to answer you are at liberty to refuse. Do your published accounts show what the turnover of the firm is?—Yes, it is published.

2817. Naturally the accounts are published?—Yes.

2818. It is a joint stock company—Lipton's Limited? Yes; we can send you on the balance sheet for last year. Our balance sheet for this year will not be out for a month yet.

2819. (To Mr. Smith.) What is the capital of your company?—2½ millions—2 millions in shares.

2820. What dividend do you pay?—10 per cent. last year.

2821. Then your shares are at a premium?—They are not much now; they are down with everything else. They were at a pretty big premium, but are down now, about 26s. to 30s.

2822. 11. shares between 26s. and 30s.; that is a considerable premium?—It is nothing to what they were.

2823. What was their maximum?—They were nearly 31. once.

2824. Then this Army business is a very small proportion of the whole volume of trade that you do?—Yes, as compared with the whole business.

2825. You are mainly a civilian firm?—Yes. (Mr. Minto.) It is a very small department, and we have tried to make it as big as we can, and we have given it every attention. Our principal business is our retail trade all over the country. We are also large exporters.

2826. (To Mr. Smith.) From a business point of view I suppose it is worth your while to pay a higher rent to have another agency to sell the goods you manufacture yourselves?—That is so.

2827. I have not heard of 20l. per 100 men from anybody else?—(Colonel Bridge.) It is 20l. for the Guards in the neighbouring canteen, because of the tremendous competition that came in.

2828. (President.) Does Dickesons give that?—Yes, he does. That would be only just a small affair.

2829. (Major-General Eaton.) Have you a price list of your things?—Yes, a wholesale price list (*handing in the same*).

2830. (President to Mr. Minto.) Perhaps you can give the Committee the figure you are repaying to the Army for the hire of their canteens?—Altogether? I could not do it very well. I would not refuse to give it. But do you want it made up in all the canteens like different tenancies?

2831. I should have thought that you would have known how you stood; what are the payments to the canteens per month?—Yes; the rebate you mean?

2832. Yes?—We can send it you anyhow.

2833. You cannot give it at the present moment?—No.

2834. You do not know whether it is 10,000l., 20,000l. or 30,000l.?—We can send it to you.

2835. I suppose it is so small a matter that it is not important?—Yes, it is. (Mr. Smith.) But we cannot carry all the details in our heads. (Mr. Minto.) I should say about 200l. per month independent of Malta and Aldershot.

2836. Then I may safely take it that you are not paying over 4,000l. a year?—It depends whether Aldershot and Malta would come in.

2837. We have asked for the return and we shall get it. Perhaps it is unnecessary to trouble you further now?—If you wish it we will easily get the figures made out for you.

2838. (Colonel Bridge to Mr. Minto.) There are one or two questions I should like to ask you. Lately you have been rather going back in your canteen trade?—Yes, very much.

2839. To what do you ascribe the fact, that Dickeson & Co. have beaten a large company like yours, a manufacturing company, in this competition for the canteen trade?—I should say the principal thing is they are better known than we are in the military world. They have been longer in the trade, and whether it is that they have any better men going round to secure the business than we have, I cannot say; I would not say that they have, but I will say that we have never got the same chance to compete. I do not think our tenders have got a fair chance when we even put them in. I can give instances where we have been much cheaper than Dickesons and Dickesons have got the business.

2840. You have had special instances?—Yes; I can give you one instance at Portsmouth, the Southern District. I think we were, in nearly 300 items, cheaper than Dickesons, and yet they got the contract.

2841. In the Southern District?—In the Southern District. Then I could not say so much about Dublin, nor yet for the Curragh, but I believe if we were not better we were as good as Dickesons for either of those contracts, and we did not get them. But from what I can gather from our agents the feeling is that Dickesons people have been so long in this business that nobody else need try, and sometimes Commanding Officers do not feel inclined to bring in an outside firm. That is the impression we formed in many instances.

2842. You say a rebate of 20l. per 100 men per month practically consumes your retail profits on the canteen?—Yes. You are referring now to Aldershot?

2843. Yes?—It takes all the profit on the beer fully to pay that, and I would say that very little is left after that. I do not know that it would pay an individual firm to pay that money, unless they were in the position as ourselves with the manufacturers' profit. If we have the manufacturers' profit we are quite pleased to work on that.

2844. Do you think that the wholesale profits would be sufficient to contribute to the payment of the working expenses of the firm?—No, the working expenses must come out of the profits that we make retail; we must keep our manufacturers' profit.

2845. But I mean the wholesale profit would be good enough in itself to pay everything?—Yes, it must pay everything.

2846. And pay a handsome per-centage to the shareholders too?—When we say a handsome profit, the per-centage would hardly affect that. (Mr. Smith.) I think in that case it can hardly be said to be paying a handsome per-centage to the shareholders, because it is all

in the business, and the more business we can get for our wholesale departments, to do the better for us. It is not a case so much of making a per-centage for our shareholders on that business, as keeping our departments employed.

2847. (*Mr. Harwood to Mr. Minto.*) You spoke of the wholesale profit, and the manufacturers' profit?—Yes.

2848. Those are two distinct items?—Yes.

2849. There is a certain part of the wholesale profits that the manufacturer do not have?—The middleman's profit.

2850. Dickesons are not particularly manufacturers; when they tell us they are satisfied if they get their wholesale profits, they do not mean as manufacturers?—No.

2851. You have your manufacturers' profit in addition to your wholesale profit?—Yes.

2852. That is only legitimate. This 20l. a month amounts to about 1½d. a man per day?—Yes.

2853. How much profit is there on a glass of beer, do you suppose. I want to see how much beer they drink?—I have not worked it out, but it is known that we pay 24s. to 25s. for a barrel of beer and we get 36s. for it.

2854. You get ½d. on 1½d.?—Yes, it is a third.

2855. Then in order that you may make 1½d. per man per month, each man must drink about 4½d. per day of liquor?—I believe they drink more than that.

2856. There are the expenses of distribution, and all these things?—Yes.

2857. Do you mean to say that the average drinking is 4½d. per day per man?—Yes.

2858. How many glasses of beer?—Three glasses, at 1½d. a glass.

2859. Then the average, including all the men that drink, is three pints per day per man, steady—it must be that?—Yes, it must be that, working it out.

2860. (*Captain Boehmer.*) 1½ pints?—Yes; a pint is 3d.

2861. (*Mr. Harwood.*) Have you been sufficiently long in this business to have formed any idea whether the consumption of liquor is increasing or decreasing per man. Is drinking increasing or decreasing?—The only way to answer that question, is to say that I could not answer it right, because the regiments differ so much, according to the money they are making. I remember when we were doing, I think it is No. 2 Canteen, the wet canteen down at Aldershot, when there were a lot of reserves up, I believe at the start there was a lot of drinking going on; they got some bonus, and they seemed to spend it all in a short time. But, after that, when they were dependent on pay, a good many married men sending home money, the drawings dropped off a third.

2862. (*Colonel Bridge.*) In fact drinking is in proportion to the rate of pay?—I think so.

2863. (*Mr. Harwood.*) My question is not so much that, but whether on the whole there is a general increase or decrease of drinking among soldiers, allowing for variations in the rates of pay, which we can all understand. I will tell you why I asked the question. Because you have told us that you have to get your rebate out of the drink really?—Yes, practically.

2864. We are in face of the fact that larger and larger rebates are being offered?—Yes.

2865. Is that because you and those other competitors are cutting each others' throats; or is it because men are drinking more, and therefore giving you the chance of making a larger rebate?—I would say it is because of competition.

2866. It is not because you hope to get more by more drinking?—No, that never was taken into consideration. What was taken into consideration, and what is even to-day taken into consideration in offering larger rebates than has been hitherto done, is the fact that we think we are being unfairly knocked out, and we are determined to get the business.

2867. I do not know that I can ask you to answer this, unless it is rather a matter of opinion, but you have told Lord Grey that you had no inducement to push the sale of drink; you did not give any reason, but you stated so?—Yes.

2868. Though you may not have a conscious inducement, must you not have a real inducement where you have made a contract a year or six months ahead to pay a fixed rebate, if the rebate depends on the sale of drink. If the sale of drink falls off where is the rebate to come from?—That is our risk. We do not tell our canteen stewards to push the sale of drink.

2869. I am not saying for a moment that you do, but I only say how circumstances would lie; that if the consumption of drink fell off then the rebate would naturally fall off?—Yes, we would practically require to pay on the strength of the regiment. (*Mr. Smith.*) Or else put the retail prices of the dry goods up in the canteen. I may say that, speaking for ourselves, the system of a rebate, where the profits are chiefly dependent upon the sale of liquor, is not one that commends itself. We should prefer some other system if it were open to us.

2870. (*Mr. Minto.*) Supposing that this Committee were inclined to believe that the most desirable system was to drop rebates altogether, then we are face to face with this. Unless you pocketed a large sum, which you would otherwise have to pay for rent, you would have to sell your groceries at lower prices than were current in the shops where they have to pay rent. I am regarding the rebate as a form of rent for the use of the buildings. That is how a business man would regard it?—Yes.

2871. Mr. Smith has just said that the firm do not like the rebates. Supposing the rebate was given up, and some system was put in its place, then you would be in a position, if nothing else were done, of having your rent for nothing?—Yes.

2872. Therefore, in order to make a profit in any way, you would have to sell your articles at a lower price than other people who have to pay rent?—Yes.

2873. How would that work? Supposing that in a canteen there were dry goods being sold at a lower price than they could possibly be sold for in adjoining shops in the town, would not that lead to business being done through soldiers in the canteen, which might lead to a good deal of abuse. You would not recommend that you should be put on a footing which would enable you to sell lower than ordinary tradesmen?—Yes, we should be only too pleased. We are doing that just now in our own retail shops. We consider that we are the cheapest people in the trade in the world.

2874. But supposing you had a shop in Aldershot?—Yes, we have.

2875. Supposing you had a shop there which had to be debited with the ordinary rent, and in the adjoining canteen there was no rent, your canteen would be able to sell at lower prices than your own shop in the town?—Of course, in proportion to the amount of rebate that we pay. (*Mr. Smith.*) That could be arranged in other ways without lowering the price in that way.

2876. Could it not be done in the form of a simple rent—that you should be charged a rent for the canteen?—Yes, I should think so.

2877. This rebate seems to me a very unbusiness-like system?—Yes. Then again the rent would depend upon our profits.

2878. Naturally?—And if the profit was made out of the beer we should still have to look to the beer to pay the rent, whatever way we did it.

2879. (*To Mr. Minto.*) Supposing the Committee recommended that the wet and dry canteens were to be kept totally separate; supposing that the beer was a totally separate thing and the profit from the sale of the beer went to the Officer Commanding the regiment in the ordinary way, and your dry canteen was totally distinct from that, you might supply both with two totally distinct businesses; how would that work?—We do not want to have anything to do with the wet canteen at all; we are really forced into it. We, as merchants, are quite content to sell our groceries and have nothing to do with the wet canteen. The canteen has to be taken over by the grocery bar; it is nothing to us. We have to go and buy the beer from a brewer; the brewer has the manufacturers' profits; we have all the rest; and we have to pay back a rebate on the presumable profit that we are making out of the retailing of the beer. We, as grocers, would be quite pleased to run separately. Then we could only pay a rebate or rent in proportion to what we considered a fair thing on our grocery business.

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2880. (*Colonel Bridge.*) You have canteens now in which you have nothing to do with beer?—Yes, take the West Yorkshires at Chatham.

2881. And they are a loss?—No, they are not a loss in the canteen down at Chatham we push the coffee bar as much as we can. Our manager's time is devoted to the grocery business and our own goods. As I was pointing out, we have our own wholesale profits on the goods.

2882. But your retail trade is a loss?—No, they must in any department give a return not to show a loss after they pay their expenses. But, for instance, where we are doing a good coffee bar trade it goes a good way towards paying our working expenses.

2883. What rebate are you giving?—5*l.* per 100 men per month.

2884. That would be 1*s.* for 100 men?—Yes, and it is all we really could afford to give as grocers.

2885. (*Mr. Harwood.*) There is another department that we have had frequently before us, that is the department of the coffee house and suppers and so forth, to which you have referred. Supposing that this separation occurs between the wet and the dry, do you recommend that that department should be joined to the dry?—Yes, I strongly advocate that.

2886. Then there is another problem. Supposing it is joined to the dry canteen, many people express the opinion that for supper, say, the men ought to be able to get a glass of beer. If these were totally separated how would you deal with that matter?—The only way to do that would be to make an agreement with the brewer or whoever supplied the wet canteen, to supply what beer was wanted, and giving the grocer a percentage for handling it.

(*Mr. Smith.*) Does that meet your view; is that keeping them separate?

2887. (*Mr. Harwood.*) I was only asking. I do not know that I have got any views, I am only wishing to elucidate yours. We do not form views until we have seen the panorama?—There could be some system, I should think, by which the beer could be drawn for those men who wanted it and taken to them.

2888. It is a practical difficulty?—It is a difficulty of working; it is a difficulty of handling; but I should think there ought not to be any difficulty in getting that beer for those men, and therefore they would not have the trouble of having the beer drawn, the same as in lots of restaurants where they have not a licence, but they will get beer for anyone having their luncheon there. (*Mr. Minto.*) There is the question of the licence coming in there.

2889. Yes, I know?—And if we had a licence for our coffee bar we could buy the beer from whoever we liked and have our profit between the price they charge us and the price we retail it at.

2890. And that could be considered in the rent of your shop?—Yes, that could be done very well.

2890*a.* (*Captain Boehmer.*) You mentioned that you charge for amusements. In those tenant canteens which you have at Aldershot do you find musical artistes for the canteen?—Yes, we find them.

2891. And where is this held; is it held in the drink canteen or in the coffee shop?—I might say that up to recently it has been always held in the wet canteen, but I think in our 2nd Brigade canteen General Murray asked our Mr. Clarke, the manager, down there to give it, I think, two nights a week in the coffee bar. That is a new departure.

2892. Do you not think it is of great importance, considering that you are in competition with the neighbouring brigade canteen, to have better artistes in your canteen than Dickesons provides in his canteen?—That has been a sore point with us all along; we think it is outside our business.

2893. I want you to answer that point directly if you can?—In which way; better, do you mean—a higher class?

2894. More attractive?—I do not quite follow what you wish. (*Mr. Smith.*) Do you wish to know whether as a matter of competition we would pay more to get the artistes, so to get the men away from other canteens to come to ours?

2895. No, it is not a question of getting other men; it is the attraction to the canteen I am getting at. You consider that if you did not have good artistes in

your canteen, or as good as you could afford to pay, your soldiers would go out to better ones in the town. You do it to keep them in the canteen?—Yes, we do.

2896. Is not that an absolute inducement to make them drink your beer to enable you to pay that 20*l.* rebate?—Certainly, or we would not have it.

2897. (*Colonel Lambert to Mr. Minto.*) You return all the surplus profit to the regiment after you have paid your working expenses?—Yes.

2898. All those surplus profits are on beer, you say?—Practically they are all on beer.

2899. Therefore assuming that you pay 24*s.* 6*d.* for a barrel of beer, you would credit to your credit side the difference between 24*s.* 6*d.* and the selling price, 36*s.*?—I would not like to mislead you on that. Regarding the profit we do make a slight profit on the grocery between the wholesale price and the retail price; there is a percentage of profit.

2900. But it is a small one?—It is not much.

2901. The main profit is the beer?—The main profit is the beer.

2902. You credit yourself with the difference between the buying price, say 24*s.* 6*d.* and 36*s.*?—Yes.

2903. The Committee might like to know in addition what percentage of unascertained profits do your men return to you; because, of course, you will admit that there are enormous profits in the retailing of drink over and above the actual difference between the buying price and the selling price?—Yes, the unaccountable profits. A good deal of that unaccountable profit, I think, depends upon the men in the wet canteen, and their honesty. I have had it down as low as 3 per cent. and had it up as high as 8 per cent. I do not think I have ever had it above 8 per cent.

2904. That unascertained profit that is credited to the regiment as well is the profit between the buying price and the selling price?—No, we take no account of that.

2905. Who gets the unascertained profit in your tenant canteens?—Lipton's Limited; that is where we have it.

2906. That is where the profit comes in?—Yes.

2907. There are two other questions I want to ask you: do you employ ex-soldiers largely?—Whenever we can, and wherever we find suitable men we always have them.

2908. With regard to the question of the quality of the groceries supplied, what guarantee has the soldier that he receives the quality agreed on?—The guarantee is that in the case of everything that we buy ourselves and everything that we import we send the same class of goods to our canteens that we send to our branches all over the country; and in the case of butter, cheese, anything that comes under the sale of Food and Drugs Act, it is all guaranteed according to the Act.

2909. Therefore their guarantee is your good fame and your good name as merchants?—Yes.

2910. (*Mr. Harwood.*) But there are different qualities of the same thing, butter and all kinds of things, cheese, bacon; there are many prices?—Yes.

2911. There may be A, B, and C qualities. Where is the guarantee that C quality shall be C quality; or what is the security that you do not give them C quality when you ought to give A or B?—In our business it is such a large one that none of the warehousemen, or what you call the foremen, have any interest to cheat, they can gain nothing; they get their weekly wages and they do not know what is going out. If one man orders the A brand he gets it, or the B brand, and so on.

2912. (*Major-General Eaton.*) I understood you to say that you did not keep any separate accounts for your canteens. If your contract is made to give a rebate on the surplus profits, how do you calculate the surplus profits on any canteen?—I think you have taken us up wrong. We keep separate accounts for everything; but where we keep no separate account is that in our annual balance sheets of Lipton's Limited we do not show what this department does and the next—it is totalled up.

2913. You show that to the committee of the canteen of the 2nd Brigade at Aldershot. How often do you produce accounts there?—We have not produced any yet; we have only been running two months.

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2914. What will you show?—We have ledgers down there which they can come in and inspect.

2915. Will that show the actual takings over the bar?—Yes.

2916. And cost price?—Yes, every invoice charged up to this canteen goes through the ledger; every penny of expense, all our goods which we buy locally—vegetables, potatoes and eggs—it is all charged up. They can see anything they want.

2917. Then that committee could equally with you calculate what the surplus profits are?—Yes, and the matter can be discussed, whether they think we are charging too much or not.

2918. Do you sell to the canteens at the same price as Dickesons?—I think we sell cheaper.

2919. Take, for instance, bacon; what do you sell bacon at?—There are so many kinds of bacon. Take the rolled shoulder 6d. a pound we cut them out at; I have not the retail price with me, I could easily forward it.

2920. Here you have bacon down; your bacon is cheaper than Dickesons?—Yes.

2921. Your bacon rolled shoulder is 50s. a cwt.?—Yes.

2922. 6d. is very cheap to sell it at in the canteen?—That is 56s.; that gives us 6s.

2923. Are you sure it is only 6d.?—I think it is 6d.

2924. You think; are you sure?—Yes, certain.

2925. I have never yet known a canteen that sold bacon at 6d. a pound?—Yes, rolled shoulders are 6d., I think.

(Colonel Bridge.) Yes, I have known it sold at 6d.; it depends upon the quality of the bacon. I have known bacon actually sold at 5d.

2926. (Major-General Eaton.) That is 6s. profit on that?—Yes; but you must remember in that class of bacon it is boned, rolled, and smoked; that is sent out, and it will drink in perhaps 2 lbs. in every 28 lbs.

2927. But you do not know what Dickesons sell that same bacon at?—No, I could not tell you.

2928. His price is dearer, and if he sells at the same price as you, his profit must be less than yours?—I am sorry I did not bring you a copy of our retail price list.

2929. You buy wholesale and sell retail?—Yes. (Mr. Smith.) Dickesons may be more for the wholesale price, and if Dickesons are pricing their wholesale prices higher than ours, Dickesons are getting more profit out of it, because that is the price they supply the canteens at.

2930. He is getting less profit?—He is getting less in his canteen, but more in the wholesale; he distributes the canteen profit, but keeps the wholesale, therefore he is better off.

2931. (To Mr. Minto.) I see all your biscuits are very much cheaper?—Yes, because we are the makers.

2932. (President.) The amount of surplus profits you give back to the canteen depends entirely upon the wholesale prices that you debit the canteen with?—Yes.

2933. That is obvious?—Yes.

2934. Then what security has the soldier that you debit a fair wholesale price to the canteen?—That is the reason I say that I do not think the surplus profit is a good system. I think whatever we give, 2s. or 3s., we ought to give it straight and be done with it. It is not a good business system.

2935. The soldier can have no security?—No, no security, and it gives us a lot of trouble working it out. And where any firm is interested in altering it, they could charge what they liked; they could say that their wholesale price was 60s., and it might be only 56s. On principle, I do not like the surplus profit business; I would far rather, if I had a surplus profit to give, give it in my rebate and be finished with it.

2936. (Captain Bochmer.) Then, as a matter of fact, in the surplus and tenant system, the canteen fund with the exception of the rebate, is practically at the mercy of the tenant?—Yes, barring the fact that you could supervise the prices that we are charging, you could object to the retail prices we are charging.

2936. But it would be an amateur's objection; he would not know what he is objecting about?—You will always find in those things some ground for it. You might get a non-commissioned officer come and say, "Lipton's are selling bacon at 8d. a lb. in the canteen; "I can buy the same bacon in Lipton's shop at 7d."

2938. That is the retail price?—Yes.

2939. That is another thing altogether; I was talking about the price you put it in at?—Yes.

2940. (Mr. Harwood.) In your contract that you make with the Commanding Officer, does it state that you have to submit a schedule of prices both wholesale and retail?—No; we submitted no prices at all, it is a matter of rebate simply altogether.

2941. (Colonel Bridge.) You did in this particular case?—Only in the case of the 1st Brigade, not the 2nd.

2942. That is to say you fixed your prices over the whole period?—Yes, we sent in our retail prices.

2943. And it must be a wrong system to say that you will supply goods that are continually fluctuating in the market?—It is a risk that we take; but it is certainly a bad principle. It has existed in past years with district contracts. When we have put in a contract calculating increases of prices at the different market values according to the seasons, another contractor has tendered at ridiculously low prices, and immediately got the contract, but a month or two afterwards put the prices up. There was a clause that he could put the prices up. We went on what we call strict business lines; if we could buy butter at 10d. 10-day and could buy butter at 1s. in December, we calculated an average over the year.

2944. But the risk is not only the contractors, it is also a risk that the canteen takes?—I never knew of an instance where a district contract was made and the contractor was allowed to advance the prices; I never heard of a contractor reducing his prices when one article was down and another article was up. That was the benefit that the contractor got, and it was unfair to the soldier.

2945. (Mr. Harwood.) What plan do you adopt in regard to perishable things, milk, eggs and butter; do you buy them in the neighbourhood?—We buy them in the neighbourhood.

2946. You have fluctuating prices?—Eggs always from London, but anything like potatoes, vegetables, and perishables we buy, as a rule, in the neighbourhood, it may be from a farmer or a wholesale green-grocer.

2947. Do you contract at any fixed price for those?—Yes, as a rule, if we have a contract running for six months, say, we will contract for about four months.

2948. (Major-General Eaton.) But your selling price to the men is approved by the Canteen Committee?—Yes.

2949. You cannot alter that?—No. When we wish to make an alteration we have to go the President of the Canteen Committee—write him officially, and say that we intend to advance the price owing to the fluctuations of the market.

2950. (President.) But can you lower the price?—We have never done it. That is, what I say, is wrong; that is where I say the practice in past years has been wrong altogether.

2951. (Major-General Eaton.) But by your contract here you will be bound to supply at the price you quote in this list. Supposing the Commanding Officer said he would not listen to your application?—Then in some contracts that have existed, there is a clause where they would say that the contractor on showing that the market value had increased could advance his price.

2952. Then you would like a contract for so many months at a certain price?—Yes.

2953. But you could not make a contract for two years?—I would make a contract for a year at any time.

2954. But Lipton's as a rule make the contract for six months?—Or 12 months.

2955. (Colonel Bridge.) You are aware that there is a great deal of local agitation against your large firms as contractors?—Not against us.

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2956. Not you specially, but against the large contractor?—I do not think it affects us, because we are local. There is no garrison town where we are not already established.

2957. That is to say, wherever you get a contract you go and put down your shop?—We have a shop there nearly always. I would think there is not a garrison town but we have one or two branches, and we are counted local people.

2958. Take Aldershot?—We have a local branch there.

2959. There is no feeling against Lipton's in Aldershot as a big contractor?—Not at all.

2960. You have seen letters in the papers abusing large contractors?—Yes, more especially in Ireland; but you never see Lipton's name mentioned, because Lipton's name is a name of note in Ireland.

2961. As a broad view of the question, what do you think of the local agitation against any large firms, not necessarily your own?—I do not think anything of that; I do not think they trouble much about it.

2962. You think it is untenable?—Yes, I do not think it is worth taking notice of.

2963. In the interest of good business it is an untenable question?—Yes, because it would be a bad system to go back and give it to a lot of huckster people knocking about.

2964. (Mr. Harwood.) Just to complete the sketch that you were asked about before, supposing the wet canteen were separated as proposed, and supposing you paid a higher rent for the dry canteen, how would you propose to do in regard to the prices that you charge the soldier. Would you propose to submit a maximum list for a year or six months ahead?—That is for rent of our retail premises.

2965. Supposing it was let to you as a shop?—I would give my prices. If I was asked to give garrison prices, I would guarantee to sell as cheaply as you could buy from Lipton's shop, or any first-class shop outside; and if anything was brought to our notice, that they could buy cheaper outside than they could in the canteen, then they have the President to go to at once.

2966. You would not have to submit wholesale prices on this plan; you would simply let your shop at so much; and, I want to see that the soldier, from its being a monopoly, is guarded against not being overcharged?—Not paying 6d. for an article in the canteen, that he can buy outside for 5d. I understand you.

2967. (President.) We should like you to put in the form of contract which you make, and are in the habit of making with Commanding Officers, so that it shall appear on the notes. We have Dickesons contract, and we would like yours?—Certainly.

2968. Is there anything else you wish to bring before us?—There is one point that I should like to bring out in connection with district contracts. We think that we should have more business than we have in the military way, and that we are able to do it well; but where a district contract is made, where tenders are asked for at wholesale prices, that is to say the schedules are sent out, and we are asked to quote wholesale prices, it is on the understanding that we are going to supply the regiment, presumably on the regimental system. Those contracts are sent in, and we lose the contract or gain it; say we lose it, as we have done. Immediately the contract is fixed, three-fourths of the canteens in that district are turned round into tenancies. I do not think that is fair to us as a competing firm, because the firm who get the contract are the only one eligible to compete for the tenancy business; the Commanding Officer has not a free hand to come to Lipton's and say, "What will you give me for my canteen?" he must deal with the successful contractor. I can give the Curragh as an instance.

2969. Will you just explain what you mean?—At the Curragh we submitted our tender form. Dickeson & Co. got the business, and shortly after that, I do not know how many canteens, I should say fully half of them—I am safe in saying that—were turned into tenancies.

2970. Under Dickesons?—Under Dickesons. Our man went up to the Curragh soliciting the business when he heard they were likely to turn it into tenancies—in fact, one or two Commanding Officers favoured us; but, owing to Dickesons holding the contract we were left out of it altogether; were not allowed to go inside.

2971. The grievance, I understand from you, is this: that the contractor tenders for the supply of one canteen?—The contractor tenders to supply for the Curragh District.

2972. And if he gets the contract he knocks you out?—He knocks us out.

2973. What is the objection to that?—Because the tenderer is asked for wholesale prices, presuming from the tender that the regiments are going to deal regimentally and buy goods at wholesale prices and make their profit themselves.

2974. I do not quite follow your grievance?—(Mr. Smith.) The grievance is that the tender is put in one way and the business is done in another. The tender is a wholesale price tender, but immediately it is got, Dickesons, by some means, transfer a lot of business on to the tenant system where there is no competition with regard to supplies at all. He can get his profits, because it is a tenant canteen, although he succeeded in getting that canteen on a different principle altogether; and we do not consider that is right.

2975. I understand you to mean that he is asked to tender at what price he will deliver certain articles at wholesale prices?—Yes, and afterwards it comes out that he will give 10l. for 100 men in that contract instead of supplying them wholesale. We might give 15l. per 100 men if we were asked; but we are not asked. (Mr. Minto.) A regiment might not be going to be over there long, and a good many officers may be away, and they want to run it on the tenant system; they come down to Lipton's man and say, "We are going to turn our canteen on to the tenant system; what would you give"; but owing to its being a district contract we are not allowed to offer. (Mr. Smith.) Dickesons has the supply of the Curragh District.

2976. (Major-General Eaton to Mr. Minto.) But I thought you offered us a contractor for the tenant system as the commencement of all?—No; in this instance the tenders are asked for regimentally; that is they ask for a wholesale tender; but when you quote your prices we say, "Take our red list prices" and fill them in the tender at the wholesale prices "delivered at the canteen." Then after the contract is fixed the successful contractor has the whole run of that district; and supposing the Commanding Officer of any particular regiment wishes to run on the tenant system he is not allowed to ask again in competition; the contractor for the district is the man who must get the business, and he can go as low as 7l. 10s. if he likes.

2977. (Mr. Harwood.) That is a matter with which I do not think this Committee can deal; it is more the regimental officers' business?—It is the fault of the system.

2978. (President.) But the evidence that has come before this Committee is that every regimental officer claims that the interest of the soldier requires that he should have a very large voice in the conduct of his own canteen as to selecting the place from which his articles are bought. It is quite new to me that there is a district contract which controls the action of every regimental officer and compels him to go to one particular firm?—But it is existing.

2979. I understand from the evidence which has come before this Committee that there is a supervising committee of every canteen; the regimental officer inspects the goods; if he is not satisfied with the character and quality of the goods, he can call upon the tenant to supply him with different goods?—Yes.

2980. I understand from you that you are entirely shut out?—Where a district contract exists and we are not the successful contractors, we cannot sell a pound of goods there. We found that up in the North-Western District where we were doing a very good canteen business, with our local branches at Preston, Warrington, and Lichfield and so on: there was a contract a year ago fixed up there, and then our canteen business was all withdrawn.

2981. (Mr. Harwood.) The regimental system I take it has nothing to do with district contracts. You may have regimental contracts, canteen contracts, individual contracts for a canteen; or you may have a district contract covering the whole set of canteens?—Yes, and when that district contract covers the whole set of canteens, the Commanding Officer of any individual regiment cannot deal where he likes.

2982. Have you made any of those district contracts?—No, we have practically never had a whole district, except the Cork District about two years ago, and our treatment there was not right, I will say even in the interest of the soldier. We got that district contract. We opened premises on a four years' lease—we could not get the premises under; we had a staff of men, a stock of about 2,000*l.* worth of goods; we supplied the canteens for one year, after which we lost the contract.

2983. Why did you lose everything?—According to our prices.

2984. Did someone else take the district contract?—I think it was the Canteen and Mess Society that got it.

2985. Was it broken up. You naturally opposed the change and they said,—No, we will have the Canteen and Mess Society's contract instead of the district contract?—It was not broken up at that time.

2986.—But some other firm got the contract?—I think the Canteen and Mess Society got the business.

2987. A man may have a district contract, but it may be worked on the regimental system; the only difference is that the man is not a free buyer?—Yes; I would advocate strongly that where district contracts do exist, two of the best firms tendering ought to get the business divided between them. Take the cheapest goods of one firm and the cheapest goods of another—pick two of the best firms.

2988. (Major-General Eaton.) Then the Commanding Officer has no power over his canteen at all?—Not under a district contract.

2989. (Mr. Harwood.) Are you aware that there was a Committee which sat under General Hildyard which recommended that the system of district contract should be extended and applied with the tenant system; was not that so?—Yes.

2990. That you should have district contracts, only let them to a tenant. That would limit the right of the Commanding Officer still more; because he would not then have any control at all?—Yes.

2991. (President.) What is the area of the district contract?—The Cork District is a very big one. The Dublin District is not so scattered. The Curragh is a big one. I would like you to note that point about that: that I think to keep up competition a big contract ought to be divided among at least two or three of the best houses offering.

2992. You, as representing Lipton's, would be quite satisfied if you felt that you could tender for the articles sold at the canteen?—Yes, and what we were cheapest in we should get the supply of, and not be shut out altogether. Supposing, for argument sake, a Cork District contract was coming out on the same lines as it did when we were offering for it, I would not offer again for it.

2993. There might be perfectly erroneous ideas, but supposing the idea did exist that you were putting in a tender at below cost price simply to knock out your competitors and to secure the trade, would you regard that as good business for the Army to accept?—I would not be allowed to do that. My directors would not allow me to do it. I must show a certain per-centage of profit.

2994. But you have told us already you are paying a very high rebate now to get a particular trade?—I admit that; but there are special circumstances there, that is at Aldershot. We have a staff and warehouses, and there is nothing new to be incurred there.

2995. You have not to increase your fixed charges?—No, I do not suppose it is costing us more than 2*l.* or 3*l.* more than before.

2996. (Colonel Bridge.) But still you are doing it at Aldershot at what you consider a loss?—Not a loss.

2997. Fearing at any rate risk of incurring the possibility of a loss?—Yes; taking into consideration that we have the premises there and everything else it was a good risk to take.

2998. (President.) But as good business men wishing to promote your business you are naturally prepared to cut the business fine and even to face a loss in order to get a tied house for the sale of your beer and the sale of your manufactures?—I would hardly say so. (Mr. Smith.) We should not face a loss; we might do it at cost price.

2999. (Major-General Eaton to Mr. Minto.) Why should you have a loss when Dickesons does not?—On what?—not on 4*s.*

3000. (President to Mr. Smith.) Is there anything else you wish to say?—You asked just now, would we consider it good business for the army to accept a tender knowing that the price was put in under the cost. I would say, yes, that would be good business, but when you do that you should see that those prices are kept to.

3001. It would be good business for the soldier to get something below cost price?—Yes, as a business man; he is buying in the best market. If we tender we should be kept to it. (Mr. Minto.) But I think if district contracts are recommended and are going on in the way they exist in several districts, so that one firm gets the whole business to the exclusion of others, that will annul competition for all time.

The witnesses withdrew.

Lipton, Limited,
City Road, London, E.C.
April 9th, 1902.

MY LORD,

I BEG most respectfully to thank you and your Committee for kind interview granted myself and the manager of our Military Canteen Department to-day, and as promised, I have much pleasure in handing you a copy of our Agreement in connection with the canteens of the 2nd Infantry Brigade at Aldershot.

Regarding a scheme we purpose placing before your Committee, we hope to forward this in the course of a few days, and might I now take the liberty of emphasising the principal points brought forward by the manager of our Military Department to-day, namely:

1. Where district contracts are arranged and firms asked to submit wholesale prices, terms of said contract ought to be strictly adhered to by successful contractor.

2. Should there be a clause in tender form where a contract system exists stating that any Commanding Officer can use his own discretion whether to run his canteen on the regimental or tenant system, in such cases the said Commanding Officer should be at liberty to invite outside competition and thereby get the best offer he possibly can in the interests of his men.

3. The district contracts should be divided among the two or three best tenderers, and not as it now exists, namely, that one firm gets the whole of the business.

Again thanking you for your courtesy,

I have, &c.

For Lipton, Limited,
THOMAS R. SMITH,
Director.

To the Right Honourable
the Earl Grey,
Chairman,

The Army Canteen Committee,
No. 2 Room, War Office, S.W.

GENERAL SIR H. EVELYN WOOD, V.C., G.C.B., G.C.M.G. (Commanding 2nd Army Corps), called in and examined.

3002. (President.) We are anxious to obtain from you a statement of your views on the management of canteens; perhaps it might be convenient to the Committee if you were to tell us what you think we ought to know rather than that we should ask you questions?—I first began to pay close attention to the subject of canteens in the year 1886, when I went to Colchester in command of the district. I took an interest in the canteen there. I found there was a great deal of drunkenness, not only in the camp, but in the town. I was called to the canteen on the complaint

of a Militia Colonel, against the Officer Commanding a battalion who was running the canteen for three months, which was the system then; they used to run it for three months and the profits were divided amongst the battalions. The Colonel of the Militia Battalion complained that he had been offered 10*l.* for the value of the profit on his drink for 27 days, and he thought it was insufficient; so the Colonel running the canteen said to me, "I will leave it to you, and you can say 'what you like,'" I said, "About 30*l.*," he said, "That is preposterous; we only make 350*l.* net profit

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"in the year." I said to him, "I am afraid you do your business badly"; he said, rather losing his temper, "Could you do it better?"; I said, "Much. I give you notice to quit. I am going to run the canteen for a year to see what I can do." The building was then very uninviting in every respect; it was a dark old hut with two rooms knocked into one to serve as a music hall. I proceeded to take out the whole of the inside. In the music room I put a lot of benches like there used to be in the Alhambra 15 or 20 years ago. I put at the back of each row a rest where they could put pots of beer—I allowing beer in the music room. In the bar proper, I put arm-chairs and I put restaurant tables with iron, and later on marble, tops; and eventually I did something which really rather frightened myself. The room by day being rather dark, I put two mirrors, 10 feet by 8, on either side of the room. That was the only thing which I was nervous of. I thought a man the worse for liquor might have a great temptation. The Commanding Officers all opposed me and said there would not be a back on the chairs at the end of a month; and they prophesied what would happen at Christmas orgies, and they prophesied New Year's Day orgies. I went on in my way; I said, "Very well, all right, I am going to give you the profits at the end of it." I was there 16 years afterwards—last year—and not a chair has ever been broken and not a mirror has ever been broken; the only breakage in the whole place has been some panes of glass where, when the room was very crowded, the men huddled themselves up against the windows and cracked them when standing up in order to see or hear better what was going on on the stage. The net result was that I made 1,400*l.* clear profit the first year; I spoilt the trade of two public-houses outside; I certainly diminished drunkenness. I think the great reason for that was the superior musical attraction. I doubled the sum we were paying, and I turned out the women. But I laid no restrictions at all upon the entertainment as long as there was no obscenity. I made the garrison sergeant-major, and the chief warrant officer, who was my clerk, go round every third or fourth night that he might listen for five minutes to the entertainment. I was not content with this, but I got the band twice a week in the summer time—under what we call in India, Shamiana—I wanted to get the women—soldiers' wives—to come down, and I provided tea and coffee for them at something very small—a halfpenny. My canteen servants all protested that this was a dead loss—it was not taken, nobody bought the tea and coffee. I was a dismal failure in that respect, but I persevered all through the summer. Then I found at the married quarters, which were about half a mile off the canteen, the soldiers' children were sent into the public-houses just opposite for beer. I saw a little girl six years old going in the first three or four days I was there. So I told the soldiers that I should send their beer to them, on a thing like a milk-can on wheels. But they did not encourage me to send the beer to their quarters; they said they rather preferred sending to the public-house. However, I persevered, and the end of it was that they all drank my beer. I ought to say that the contract for the supply of the beer had always been given to somebody not necessarily in Colchester, who was chosen by one person in the canteen, an officer—at least he was supposed to choose it. I do not think he really had much more to do with the choosing of it than the Queen had to do with the choosing of the High Sheriffs when she used to prick, and the King does now; her needle is put down on a certain place, it must be one of two.

3003. Who chose it then?—I think somebody—one of the non-commissioned officers—it is probable that the canteen steward suggested that there should be one particular firm and that particular firm got it. (*Witness held up the Army Order.*) Then I instituted this—Lord Wolseley took practically this paper, which which was issued in 1898, from me; the Army Order of the 1st of November 1898 was taken from my procedure at that time. I advertised that I wanted tenders and samples for the supply of beer. I did not tell anyone whose beer it was; I had the samples all numbered myself, and then I handed them over to a captain of one of the regiments who sat inside the bar, and I got a committee of tasters—two out of every company, men who were fond of beer and the greatest beer consumers—they were allowed their choice, which absolutely settled who was to get the contract. The men all asked to know whose beer it was, but I would not tell them. That system, eventually, was boiled down into this Order, after Lord Wolseley came and

saw how it worked: "Whenever practical, the choice as to the particular quality of malt liquor and other important articles required for the refreshment department, should be made on the principle of selection by taste and inspection, from the samples tendered by tradesmen, whose identity in connection with their samples is to be kept absolutely unknown to the persons whose opinions thereon are obtained." That was my principle; and as to these rules you may say that they virtually embody my ideas. I ought to say that I had three infantry battalions, and the cavalry regiment there had a contractor whose name I need not give. I was personally adverse to this contractor, because I knew he obtained the order by sending a traveller out to Delhi, and travellers cannot go to Delhi and back without a certain expenditure—say, 150*l.* So I wrote to the Colonel and told him as he was to come to my district, I suggested that he should not employ this particular man. He said he would employ him; we both served in the same regiment; but the men beat him, by absolutely declining to drink the beer and came over to the canteen I had established. But what I think is more remarkable than the success of what I was doing is that my successor, General Burnett, a much better business hand than I am, certainly kept the drunkenness down to what I did, and he made a rather larger profit out of two battalions than I did with three. Our system was to stop the leak that was going away into the hands of the servants of the canteen, and of inducing the soldiers to drink what they wanted inside the barracks, and not outside. I have not got statistics, and I doubt if we could find out from the Adjutant-General whether there has been any noticeable change. I rather doubt it, because I think the whole of the Army drink less in the last few years; so that I do not know that you would find that there has been any change. Probably you would find in my time—about 16 years ago—there was a drop. That is my memory—that I did abate a certain amount of drunkenness, by making the drinking inside the barracks.

3004. We have had certain evidence that leads us to believe that if your musical entertainments were in the dry canteen, rather than in the wet, you would reduce drunkenness still more, or the consumption of drink still more; do you incline to think that that is so?—No, I do not, for this reason: I think the class of people who want to listen to the music are more likely to sit still if they can drink while they listen to the music than if they have to go outside to drink. I have considered that a good deal. I therefore made a concession of their having beer in the music room.

3005. I am not suggesting that they should go outside, but if your stage and seating accommodation was in connection with the dry canteen inside your barracks rather than the wet canteen?—I may say, although it does not particularly concern the Committee perhaps, that I have scruples against taking the profits from the beer bar and passing them on to the other to the extent now laid down. We have an Order now, so I would sooner not discuss it, that we are to do that; but I have that uneasy feeling. I should not do it of my own volition.

3006. What Order are you referring to?—That, (*handing in the same*) that the profits of the institutes, including the wet canteen, will be applied generally, but the wet canteen is to be made less attractive than the other rooms. That is what they are working on at Aldershot now.

3007. And you object to that?—I would sooner not discuss it.

3008. What would you like to do with the profits. Do you feel at liberty to say that?—I should spend them for the good of all the men. I am entirely in sympathy with Lord Roberts in his desire here; and there is little difference, except that in my canteen, what I thought was a model 16 years ago, I let them have beer in the music room instead of going out. I wanted to keep them there in the place.

3009. There is a strong feeling on the part of many witnesses that it is desirable that men at their suppers should have one pint of beer together with their supper in the recreation room, and not in the wet canteen. Would you be in favour of that?—I am entirely in favour of that.

3010. You naturally have, of course, clear ideas as to the relative advantages of the regimental system of management of canteens and the tenant system?—Yes.

3011. Will you kindly tell the Committee which principle you favour?—I am glad to have an opportunity of answering that, because I have had a great deal to do with it as a General Officer Commanding, when I was the canteen keeper at Colchester; and then when I went to Aldershot I saw a very great deal of it there. The end of it was that when I went to Salisbury in November, I came to the conclusion that we ought to do away with the regimental system, and that we should have the contract tenant system. My reason is this. I got perhaps my greatest shock about 12 years ago, when at Aldershot, in seeing a regimental sergeant-major deliberately give up his position as sergeant-major to be the canteen steward. That to me as an enthusiastic soldier was a degradation, a shock. I see that in the tenant system, according to the nature of it, there must be some inducement in the nature of things to persuade soldiers, or at all events encourage them, to drink more than is good for them. So I worked out what I thought was the best plan for the Army, and I thought I had arranged in the Second Army Corps District to fight against that by a clause in my draft contract. I may say that I submitted it first of all to some of the biggest firms, one of the biggest brewers and one of the best known proprietors of groceries. It is this: "If found encouraging the sale of intoxicating drink in any canteen," or, "if any manager, steward, or other servant receives a graduated wage or any bonus from the contractors calculated on the takings in the canteen or institute"—then it goes on with a number of those things all aimed against this evil. I admit that it is only human nature; that if a man is paid according to his takings he will not regard the state the man is in; but the loss will be so great to the man, in losing the whole of his business, that I think it is some safeguard against it; I will not say it is perfect, but it is some safeguard against it. I could not send this contract up officially, as I wanted to do it myself; but I did get a friend in the contract branch to revise it and improve it, to make it a little more stringent; and this was just going out when your Committee was appointed; in fact it had gone out and we were directed to revoke it, and no contracts have been made under it.

3012. Will you put it on the notes as a draft of the contract you approve?—Yes. I might say in fact, that if I had not come here at all this embodies my idea after 30 years' thought.

3013. Is it a district contract?—The whole of the papers are there, and perhaps it would be rather easier for Colonel Barrington Foote to follow it in print.

3014. Then we can put it in on the notes and have it printed?—Yes; print as much or so little as you like.

3015. We will put the whole of it on the notes. As I understand it really represents the views you have arrived at after 30 years' consideration of the subject?—Yes, after 30 years I thought this was the best thing we could do for the soldier and for the sake of sobriety.

C.R. 2nd A.C. B 268/1-.

This form must reach the Headquarters Office by post or be placed in the tender box, not later than twelve noon on

District.

Tender.

For the supply of malt liquors, wines, spirits, tobacco, cigars, cigarettes, pipes, groceries, milk, vegetables, &c., to regimental institute and sergeants' messes in the

District. Submitted to the General Officer Commanding by

Name of firm
Postal address

Quotations should be sealed and addressed as follows:—

"The Deputy Assistant Adjutant-General,
Headquarter Office."

"Canteen Tender."

Samples need not accompany offers. They will be called for, if necessary.

The General Officer Commanding reserves the right to reject any or all of the tenders received.

CONDITIONS OF CONTRACT.

Agreement entered into between

hereinafter styled the contractor, of the one part, and the General Officer Commanding District, of the other part, for the sole right, except in certain cases, which may be specially authorised by the General Officer Commanding the Army Corps, to supply the regimental institutes (on the tenant system) and the sergeants' messes (on the regimental system) in the District, for a period of one year commencing on the 1st day of _____ subject to the right of the contractor, or of the General Officer Commanding, to terminate the agreement on, or at, any time after the _____ by giving three months' previous notice in writing, and subject always to the right of the General Officer Commanding to terminate the agreement at any time, under Conditions 10 or 11.

1. The contractor undertakes to provide all the managers and servants necessary for the maintenance of the regimental institutes (excepting the sergeants' messes) as at present established, to pay the cost of lighting, taxes and insurance, and to pay all legitimate outgoings now chargeable to the institute, other than any specially exempted hereafter. For troops encamped or employed on flying columns, or manoeuvres, he will provide the necessary marquees, &c., for the regimental institutes, and the cost of cartage for such marquees, utensils and goods to be charged against the rebate mentioned in Condition 18, and, in the event of the cost exceeding the rebate, the balance to be paid out of the regimental fund, or out of any manoeuvre allowance made by the Government.

2. The military authorities will provide and maintain in each barrack all necessary buildings, also a quarter for the manager, as at present, the contractor paying therefor the weekly rent, according to accommodation, at a price varying from 2s. 6d. to 3s. 6d., also a weekly rent of 6d. for use of shop, taproom, and fixtures.

3. The contractor shall, if required by the General Officer Commanding, purchase all existing bar stock and utensils at a valuation made at the joint expense of the contractor and the military authorities, if necessary by an approved valuer, and should the contractor so desire, any existing bar stock and utensils will be re-purchased by the military authorities in the same manner, at the termination of this agreement.

The contractor shall maintain a sufficiency of bar stock to meet the requirements of the troops. Any wilful damage to such bar stock by the troops must be reported at the time to the N.C.O. on duty, and the value recovered in the usual way.

4. The contractor shall employ as far as possible only pensioners, reservists, and discharged soldiers of good character, whose names and characters shall be submitted for the approval of the commanding officer, who shall have power to compel the tenant to dismiss or discharge any such servant, if called upon to do so.

5. The contractor shall keep a sufficient stock in each institute of the articles detailed in the price list hereto annexed, and marked "A," to meet the requirements of the troops.

6. The articles supplied may be inspected at any time by an officer appointed by the War Office, by officers commanding units, or by any other officer appointed for the purpose by the General Officers Commanding, and if considered by them to be inferior to the qualities contracted for, or to the approved samples deposited by the contractor, such articles will be rejected, and the contractor shall remove the same without delay, at his own expense, and shall, if required, immediately replace the rejected supplies with articles of approved quality without any allowance being made to him for such rejected articles.

The contractor shall give full access to his trading books to any officer deputed by the General, or to the commanding officer, or his deputy.

7. The articles supplied shall be of the prices, qualities, and descriptions set forth in the price lists.

8. Should the contractor fail to keep up a sufficient stock of supplies, or to replace rejected articles, the General Officer Commanding, or the officers commanding units, may purchase supplies to replace those deficient, and the contractor shall defray all costs, all charges thereby incurred from any monies due, or which at any time hereafter may become due, to the contractor under this agreement.

Gen. Sir H.
Evelyn Wood,
V.C., G.C.B.,
G.C.M.G.

9 April 1902.

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G.C.M.G.

9 April 1902.

9. Price lists shall be conspicuously displayed by the contractor in every room of the institutes where supplies are sold.

10. No gift, gratuity, or advantage, either in money or in kind, shall be made by the contractor, either to corps or to individuals in Government or regimental employ or connected with sergeants' messes for any service rendered, or alleged to have been rendered, by them for or on behalf of the contractor, or towards defraying the costs of sports, entertainments, moves, tents, or for any other purpose whatever. The General Officer Commanding is empowered to at once terminate this agreement for any breach of this or any of the following articles (a.) to (f.):—

- (a.) If found encouraging the sale of intoxicating drink in any canteen.
- (b.) If any manager, steward, or other servant receives a graduated wage, or any bonus from the contractors, calculated on the takings in the canteen or institute.
- (c.) If canteens are opened at hours not authorised by commanding officers.
- (d.) If credit be given to soldiers.
- (e.) If liquor is sold to any soldier who is, or appears to be, intoxicated.
- (f.) If adulterated, or watered, supplies, either liquor or solid, are sold or found on the premises.

11. Should at any time the General Officer Commanding come to the conclusion that the supplies are inferior to quality stipulated for, he reserves to himself the absolute right to terminate this agreement after giving the contractor one month's notice.

12. The contractor, and his servants, shall obey all regulations in respect to the institutes, which may from time to time be made by the General Officer Commanding, or officer deputed by him.

13. The contractor shall, if required, remove and replace within 24 hours' notice, any servant guilty of misbehaviour, or whose discharge is, for any reason, deemed advisable by the Officer Commanding the troops dealing at the institute in which such servant is employed.

14. All articles required for the men's messing, other than those provided by the Government, shall be obtained from the contractor.

All "attractions" to be submitted by the contractor to the regimental authorities for approval.

15. The contractor shall keep the premises of the institute, the manager's quarters, and the ground in their vicinity, in proper order to the satisfaction of the Officers Commanding in the various barracks or camps.

16. All accounts for messing shall be paid monthly to the contractor by units, and no credit shall be given by the contractors, excepting to officers, and others specially authorised to open accounts by Officers Commanding units, on the understanding that the latter officer have no responsibility in the matter.

No credit, however, of any description, will be given in the liquor bar.

The "Sale of Liquor" book to be open to inspection by the Commanding Officer, or any one deputed by him, at any time, and to be checked by him at the end of each month.

17. The contractor shall, if required, deposit the sum of 1,000*l.* (one thousand pounds) to the credit of the General Officer Commanding, in a bank to be designated by that officer, as security for the payment of rebate under Condition 18, or for purchase in default.

18. The contractors shall charge for all goods supplied to the institutes at the prices quoted in the annexed lists, and shall, not later than the 15th of each month, pay to Officers Commanding units concerned, a rebate of per calendar month for each man in mess during the preceding month, the numbers to be taken from the messing book (Army Book 48).

In addition, married families and sergeants' messes dealing with the canteen shall be paid a dividend of 5 per cent. on all purchases made by them at the canteen.

19. The contractor shall maintain suitable supply stores in the immediate neighbourhood of and , which shall at all times be open for inspection.

20. The General Officer Commanding, through the Under Secretary of State for War, shall, if so required

by the contractor, request the proper licensing authorities to grant licenses for the sale of exciseable goods at the various institutes where they are authorised to be sold.

21. Sergeants' messes will obtain all supplies from the institute, excepting tobaccos, malt liquors, wines and spirits, which will be supplied by the said contractor direct to the messes as per price lists attached, marked "B" and "C."

22. In the event of any difference of opinion between the contractor and the troops, or should he consider himself unfairly treated, he can appeal, through the General Officer Commanding the District, to the General Officer Commanding 2nd Army Corps, whose decision will be final.

Signature,

Witness,

Date

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A.

SCHEDULE OF RETAIL PRICES for REGIMENTAL INSTITUTES in DISTRICTS.

N.B.—This price list will hold good until further orders. No alterations are to be made in it, unless by Commanding Officers, under district authority.

s. d.

Mild ale	-	-	-	per qt.
Bitter	-	-	-	"
Stout	-	-	-	"
Porter	-	-	-	"
Apple rings	-	-	-	per lb.
Arrowroot	-	-	-	"
Apricots, tins, No. 3	-	-	-	"
Basins, white china	-	-	-	each
Bacon, rolled shoulders	-	-	-	per lb.
" slices, primest cuts, back and streak.	-	-	-	"
" gammon, top back and top streak.	-	-	-	"
" shoulder cuts and flanks.	-	-	-	"
" hocks, about 7 lbs., for boiling.	-	-	-	"
" rolled sides (R.D.C.)	-	-	-	"
Baking powder (R.D.C.)	-	-	-	per pkt.
Barley, finest Scotch	-	-	-	per lb.
Bathbrick	-	-	-	each
Beeswax	-	-	-	per cake
Biscuits, all kinds, mixed	-	-	-	per lb.
" lunch, best makers	-	-	-	"
Blacking	-	-	-	per tin
" pouch, Hollis's or Harris's	-	-	-	per 4 cakes
Blacklead (R.D.C.)	-	-	-	per cake
Blanco moulds	-	-	-	each
" pots, complete	-	-	-	"
Bloater paste	-	-	-	"
Bloaters	-	-	-	"
Blotting paper	-	-	-	per sheet
Blue foolscap	-	-	-	per quire
Books, memo.	-	-	-	each
" " with blotting paper.	-	-	-	"
Borax	-	-	-	per lb.
Bovril	-	-	-	per 1 oz.
"	-	-	-	per 2 ozs.
Brassball	-	-	-	per tin
Brawn, Armour, Libby's or Rex.	-	-	-	—
Bread, 2 lo. loaf	-	-	-	-market price
Brunswick black	-	-	-	per cwt.
Brushes	-	-	-	—
*Butter, fresh	-	-	-	per lb.
" Irish, extra choice, slightly salted.	-	-	-	"
" Devonshire, choicest salt.	-	-	-	"
Buttons, simplex	-	-	-	per box
*Cabbage	-	-	-	-market price
Cakes	-	-	-	each
Cards, playing	-	-	-	per pack
Candles, buttercup, wax	-	-	-	each
" " "	-	-	-	per lb.
Canes	-	-	-	each, from
Caraway seeds	-	-	-	per lb.

s. d.		s. d.	
Carrots - - - - -	—	Kop's stout - - - - -	½ pts.
Chalk - - - - -	per lb.	" " - - - - -	pts.
Cheese, finest Canadian cheddar. - - - - -	"	Kutnow's Carlsbad salts - - - - -	per bot.
" Dutch, Gonda - - - - -	"	Laces, 27 in. - - - - -	per pr.
Chutney - - - - -	per bot.	" 36 in. - - - - -	"
Chocolate - - - - -	per cake	Lard, pure American - - - - -	per lb.
Cigarette books, A.G. - - - - -	each	Lead pencils - - - - -	each
Cigarettes - - - - -	"	Lemonade - - - - -	per bot.
" Woodbines - - - - -	per pkt.	Lemon peel - - - - -	per lb.
Cigars, Pickwick - - - - -	each	Lentils - - - - -	"
" Capitan Generals - - - - -	"	Lobster - - - - -	large tins
Cleaning bags - - - - -	"	" - - - - -	small flat
Clothes pegs - - - - -	per doz.	Lunch tongues - - - - -	large tins
Cloves - - - - -	per lb.	Looking glasses - - - - -	each
Cocoa, Ships' - - - - -	½ lb.	Macaroni, Naples - - - - -	per lb.
" Van Houten's - - - - -	¼ lb.	Matches - - - - -	6 boxes per
Cocoa and milk, Anglo-Swiss - - - - -	—	" vestas - - - - -	per box
Coffee and chicory - - - - -	per lb.	Marmalade, R.D.C., Seville - - - - -	lb. pots
Coffee, Brussels, super. ½-lb. tins. - - - - -	"	" " 7-lb. tins - - - - -	per lb.
Coffee and milk, Anglo-Swiss - - - - -	—	Meats, potted - - - - -	per tin
" essence, pure - - - - -	per bot.	Messing books - - - - -	each
or with chicory - - - - -	"	†Milk, guaranteed pure - - - - -	per qt.
Corned beef - - - - -	per lb.	" condensed, Nestle's - - - - -	per tin
Corn-flour, Dickesons - - - - -	"	" " Anglo-Swiss, - - - - -	—
Cotton, reels - - - - -	each	" " Anglo-Swiss, - - - - -	—
Currants - - - - -	per lb.	" " English. - - - - -	—
Curry, genuine Madras - - - - -	"	" " Royal Stan- - - - -	—
" ½ oz. - - - - -	per pkt.	Mineral waters - - - - -	per bot.
Dates - - - - -	per lb.	Mustard, loose - - - - -	per lb.
Dubbin - - - - -	per tin	" fine, ¼-lb. tin - - - - -	"
*Eggs, foreign - - - - -	each	Medal ribbon - - - - -	yard
" new laid - - - - -	"	Needles - - - - -	per pkt.
Egg powder - - - - -	per pkt.	Note paper - - - - -	per pkt.
Emery cloth - - - - -	per sheet	Nubian blacking - - - - -	per bot.
Eno's fruit salt - - - - -	per bot.	Nutmegs - - - - -	per lb.
Epsom salts - - - - -	per pkt.	Night-lights - - - - -	per box
Faggots - - - - -	each	Oats, Quaker - - - - -	packets
Fish, fried - - - - -	per piece	Oatmeal, Canadian - - - - -	per lb.
Flour, household - - - - -	per lb.	" Scotch - - - - -	"
" self-raising - - - - -	"	Oil, olive, for salads - - - - -	per bot.
Foolscap - - - - -	4 sheets	" for cleaning - - - - -	per flask
Figs, loose, good - - - - -	per lb.	*Onions - - - - -	per lb.
German-sausage, guaranteed over 60 per cent. meat. - - - - -	"	Parsnips - - - - -	"
Ginger, whole or ground - - - - -	"	Paper for wrappers - - - - -	per sheet
Ginger beer - - - - -	per bot.	Passes, daily - - - - -	10 for
Golden syrup - - - - -	2-lb. tins	" permanent - - - - -	each
" " - - - - -	1-lb. tins	Pears, in syrup, No. 3 tins - - - - -	"
Gum, small - - - - -	per bot.	Peas, blue - - - - -	per lb.
" large - - - - -	"	" split - - - - -	"
Haddocks - - - - -	per lb.	Penholders - - - - -	each
Hair oil - - - - -	per bot.	Pens - - - - -	per doz.
Haricot beans - - - - -	per lb.	" Gillott's - - - - -	"
Ham, cooked - - - - -	"	Pepper, black - - - - -	per lb.
Handkerchiefs - - - - -	each, from	" white - - - - -	"
Hearthstones - - - - -	each	" Cayenne - - - - -	per bot.
Heel ball - - - - -	"	Pickles, R.D.C., home made - - - - -	18-oz. pts.
Herbs, mixed - - - - -	per pkt.	" mixed and picalilli - - - - -	gal.
Herrings, fresh - - - - -	per tin	" cabbage - - - - -	"
House, flannel - - - - -	per yard	" onions - - - - -	"
Ink, black, stone - - - - -	per bot.	Pills, Beecham's - - - - -	per box
" blue-black, glass - - - - -	"	" Carter's - - - - -	"
" red - - - - -	"	" " tasteless - - - - -	"
erasers - - - - -	each	Pins - - - - -	per pkt.
Finest quality "new" fresh fruit jams :— - - - -	1-lb. glass jars	Pipeclay - - - - -	3 cakes
Apricot - - - - -	"	Pipe covers - - - - -	each
Black currant - - - - -	"	Pipes, clay - - - - -	per 3 pipes
Blackberry - - - - -	"	" 3d. briars - - - - -	each
" and apple - - - - -	"	" 6d. " - - - - -	each
Damson - - - - -	"	Plate powder, Goddard's - - - - -	per pkt.
Gooseberry - - - - -	"	Plates, white china - - - - -	each
Greengage - - - - -	"	Polishing paste, Putz - - - - -	per tin
Plums (red or yellow) - - - - -	"	" " S. Ffiend - - - - -	"
Raspberry - - - - -	"	" " Pynko - - - - -	tablet
" and red currant - - - - -	"	" " Brilliantine - - - - -	pkt.
Red currant - - - - -	"	Potato nets, large - - - - -	each
Strawberry - - - - -	"	" " small - - - - -	"
Mixed (fruit preserves), 7-lb. tins. - - - - -	"	*Potatoes - - - - -	per stone
Assorted R.D.C., ¼-lb. tins - - - - -	"	Pudding cloths - - - - -	each
Julienne dried vegetables - - - - -	per lb.	Pine apples (chunks), No. 1½ tins. - - - - -	tins
Ketchup - - - - -	rep. pts.	Rabbits, No. 2 tins - - - - -	each
Kippers - - - - -	—	Raisins (Valencia) - - - - -	per lb.
Knife polish, Oakley's or R.D.C. - - - - -	—	Rice (Rangoon) - - - - -	"
Kop's ale - - - - -	½ pts.	" (Java) - - - - -	"
" " - - - - -	pts.	Razors (Sheffield) - - - - -	each
		Sago - - - - -	per lb.
		Salmon - - - - -	per tin
		" steak (flat tins) - - - - -	"

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Salt	-	-	-	per pkt.
Sardines (small)	-	-	-	per tin
Sauce	-	-	-	per bot.
"	reputed $\frac{1}{2}$ pts.	-	-	"
"	pts.	-	-	"
Saveloys	-	-	-	each
Sawdust	-	-	-	per bag
Seidlitz powders	-	-	-	each
Silver sand	-	-	-	per gal.
Sherbet	-	-	-	per lb.
Soap, yellow	-	-	-	"
"	mottled, best	-	-	"
"	Pears'	-	-	per tablet
"	Sunlight and Lifebuoy	-	-	"
"	Vinolia	-	-	"
"	toilet, R.D.C.	-	-	"
Soda	-	-	-	per lb.
"	water	-	-	per bot.
Spice	-	-	-	1 oz. pkt.
Starch	-	-	-	per pkt.
Sugar, granulated	-	-	-	per lb.
"	lump and Demerara	-	-	"
"	castor	-	-	"
Swabs	-	-	-	each
Sweets, mixed	-	-	-	per lb.
Tacks	-	-	-	per box
Tapioca	-	-	-	per lb.
Tomatoes, No. 3 tins	-	-	-	each
Tea, packets	-	-	-	per lb.
"	finest	-	-	"
"	messing, loose	-	-	"
"	"	-	-	"
Sultanas	-	-	-	"
Thread	-	-	-	6 skeins
Tobacco, Irish roll	-	-	-	per oz.
"	Navy Cut	-	-	"
"	Shag, golden	-	-	"
"	Cut Cavendish	-	-	"
"	Westward Ho	-	-	"
Tooth brushes	-	-	-	each
Twine	-	-	-	per ball
*Turnips	-	-	-	per lb.
Vaseline	-	-	-	per tin
Vinegar, malt	-	-	-	per pint
"	"	-	-	per bot.
"	pint bottles	-	-	each
Washing powder, Hudson's	-	-	-	pkt.
Whiting	-	-	-	per lb.
Wawphar	-	-	-	per tin
Worsted	-	-	-	per ball
Yorkshire relish	-	-	-	per bot.

* The prices of butter, potatoes, eggs, and vegetables will be liable to change on 1st April, 1st July, 1st October, and 1st January, according to fluctuations of market prices, the prices to be settled between the responsible staff officer and the contractor.

† The quality of milk will be liable to examination by a medical officer.

N.B.—Malt liquors are guaranteed to be of the following specific gravities, and to be brewed from pure malt and hops (no other substitute). The names of firms from whom malt liquors are obtained to be stated here, thus:—

Mild ale, 1045° gravity	Bass & Co.; Ind, Coope, & Co.; Allsopp & Co.; Hammerton & Co.; H. & G. Simonds; W. Younger & Co. (the names of six firms will suffice).
Bitter - 1053°	"
Stout - 1065°	"

B.

PRICE LIST of BEERS supplied to SERGEANTS' MESSES.

(Brands to be stated.)	Mild	-	-	per brl.
"	"	-	-	"
"	Bitter	-	-	"
"	"	-	-	"
"	Porter	-	-	"
"	Stout	-	-	"
	Less 3 per cent. for waste.			
No. 6	-	-	-	per kil. net,
No. 5	-	-	-	"
P.A.	-	-	-	"

s. d.

C.

PRICE LIST of WINES, SPIRITS, TOBACCO, &c., supplied to SERGEANTS' MESSES.

Brandy	-	-	20 u.p.	-	per doz.
(Brands to be stated)	-	-	16 u.p.	-	"
"	-	-	17 u.p.	-	"
Irish whiskey	-	-	20 u.p.	-	"
(Brands to be stated)	-	-	20 u.p.	-	"
"	-	-	17 u.p.	-	"
"	-	-	17 u.p.	-	"
"	-	-	17 u.p.	-	"
Scotch whiskey	-	-	17 u.p.	-	"
(Brands to be stated)	-	-	17 u.p.	-	"
"	-	-	17 u.p.	-	"
"	-	-	17 u.p.	-	"
(Brands to be stated.)	Rum	-	-	18 u.p.	-
"	Gin	-	-	25 u.p.	-
"	Port	-	-	-	-
"	Sherry	-	-	-	-
"	Claret	-	-	-	-
"	Ginger brandy	-	-	-	-
"	Sloe gin	-	-	-	-
"	Cigars	-	-	-	per 100
"	Cigarettes	-	-	-	per box
"	Tobaccos	-	-	-	per lb.

C.R. 2nd A.C. B. 268/-

Advertisements to be inserted in three leading London papers ("Daily Mail" excepted); four leading local papers, "Brewers' Gazette," and "Grocers' Journal."

Tender forms sent to the following firms:—

Army and Navy Co-operative Society.
Junior Army and Navy Co-operative Society.
Dickeson & Co.
Canteen and Mess Co-operative Supply.
Lipton & Co.
Bass & Co.
Ind, Coope, & Co.
Allsopp & Co.
Hammerton & Co.

and such local firms as would be likely to tender.

3016. (President.) I think, perhaps, the most courteous conduct to adopt towards you would be if we were to delay cross-examining you upon your scheme until we have had an opportunity of examining it; but I will just ask you a few elementary questions?—May I say one thing about it. I did not propose to make this contract myself; I proposed that the three officers commanding the districts under me should make it; that is to say, that they should choose the contractor, not I, because the basis of it is that we are not to go to law, but if the contractor and the Officer Commanding or the General of the sub-district quarrel, I am to be the arbitrator between them. I do not make the contract.

3017. There is one question I should like to ask you on your scheme. I understand from just a cursory glance at it that you favour contracts being made by each district?—Yes.

3018. Will you kindly tell the Committee what that means exactly; does it mean that every canteen within that district is obliged to buy the articles it requires from the particular contractor who gets the contract?—Absolutely, the General Officer Commanding the Western District will create a monopoly entirely in every canteen in this district.

3019. In favour of one particular firm?—In favour of one particular person.

3020. Do you think that will be popular with the soldier and the regiment?—Yes, because the soldier gets so much material advantage out of it.

3021. Out of what?—Out of the possibility which comes from one man or one firm having a big contract like that—that the soldier gets from 2s. to 3s. a month added to his messing.

3022. Is that on beer or on groceries?—I should think the major profit, in my experience, was in my time on beer. Now, however, in the Western District under my command, which I was about to follow when directed to revoke my order, 80/100ths of gross receipts are from food supply, &c., groceries—one-eighth tea, coffee—and a large sale occurs at the refreshment bar. But it all goes together. One man makes the contract

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and we are somewhat in favour of the grocer making the contract instead of the brewer.

3023. Then would the grocer supply the beer, or do you choose the beer?—He would have a sub-contractor for that.

3024. Then how about that admirable plan of your non-commissioned officers testing beer which is put before them with no label attached?—They would still have to work by this Army Order of 1898; that is to say, that the General will call for tenders and get samples of the beer in, and then he would have a tasting committee. I did not want to go behind this. This still exists as an Army Order; and everything I propose is compatible with this Army Order.

3025. I understood you to say that you thought the grocer who got the contract for the supply of the dry canteen should also have the supply of beer to the wet canteen?—He might or might not; I leave that entirely for the General to decide.

3026. So far as I understand your district contract scheme, it entirely does away with all competition?—I think not. I think that the firms I propose that the tenders should go out to will ensure competition. The actual wording is that this is to be sent to the "Army" and Navy Co-operative Society, the Junior Army and Navy Co-operative Society, Dickeson & Co., the "Canteen and Mess Co-operative Supply, Lipton & Co., Bass & Co., Ind, Coope, & Co., Allsopp & Co., Hamerton & Co., and such local firms as would be likely "to tender."

3027. I see you have not included in that list the co-operative wholesale movement?—I do not know it, but they will see I am calling for tenders.

3028. You know nothing about that movement?—I have not touched the work lately. I did not mean to make this contract. I did make up that list a great deal myself, but I did not mean to make the contract; I only sent out the form that I wanted the Generals in my district to have. There is no reason why I should not have put them in, because that list does not pretend to be complete.

3029. You have never had your attention specially called to the management of that huge organisation that is supplying about 5,000,000, or about one-eighth part, of our population?—No.

3030. (Mr. Harwood.) In regard to the beer, according to your method of keeping the men in camp and encouraging these amusements and giving them beer, it is quite possible, is it not, that the gross consumption of beer in any particular canteen might increase, and yet the moral condition of the troops might be improved because they drank less outside?—Yes, I think so.

3031. I mean to say that the absolute consumption of beer in the canteen is not the final test of the sobriety of the men?—No, I thought over this great difficulty, and thought whether it would be possible to give an increased salary to the canteen steward in an inverse ratio based on the less "drunks" in the battalion; but I have dismissed it from my mind as being impossible and Utopian; because there are battalions and battalions. One man may stagger into barracks and have nothing said to him, and another man on making a false step may be what the men call "run in"; it varies so much in battalions according to the non-commissioned officers. The main point however is, persuade the soldiers to be in barracks after sunset.

3032. You would say it is better that the soldier should drink, for example, three pints of beer in camp and none outside, than drink two pints of beer in the canteen and two outside?—I should not like to accept that as the quantity they do drink; I do not think it is so much.

3033. Three glasses, then, or whatever it may be; the principle is the same?—When I was at Colchester I claimed that I had decreased the drinking. It may be very difficult to substantiate or disprove my statements, because I do not suppose we now have records; but the chief constable at Colchester thought there was less drunkenness, and I remember that two licences were not persevered with in the town—just outside the barracks.

3034. Lord Grey spoke about the principle of competition. You can get the principle of competition whether you are making your contract for a small area or for a large one. I mean that the Commanding Officer of a single canteen might make contracts on the

principle of competition, or you might have contracts made covering a larger area. Do you recommend that the contracts should be made covering the area of the district?—I am in favour of the one contract covering a district, for this reason: In the defences of the Severn we have a lot of little forts and posts with 10, 20, and 30 men—and 50 men is quite a large lot, where an individual contract would not pay; the men must there go to the public-house—it would not pay anyone to put beer down. There must be a number beyond which there is no profit to be honest at all. But where a man does the whole of a district, especially on the tenant system that I desire, he then sets off profit and loss. He is bound to put down exactly the same standard of ale, beer, and groceries in my little out-of-the-way fort down at the end of Milford Haven, as he puts into the Plymouth or Bristol barrack room. That is the advantage that we see in having a district contract, that the small places are carried on by the profits from the big.

3035. Then the two things the Committee may understand you to recommend as principles of management are: first, district contracts, and not canteen contracts; and, secondly, the tenant system?—Yes, I desire a district tenant system, which is virtually a district co-operative organisation, as it includes all the units in the district.

3036. As regards district contracts, it has been put before us that if the officers of a regiment, or wherever there was a canteen, were subject to the district contract, and therefore had no option in buying for themselves at all, and no power to buy for themselves, that would greatly diminish their interest in the good management of their canteens. Do you think so?—Perhaps I may say that, in order not to occupy too much time, I have handed in my scheme, and I assumed that you would find that in it. It is provided for there, that the regimental officer is to be consulted by the General beforehand; he comes in and helps the General to make the contract. He is free. I go so far as the Yeomanry; they are represented in the Second Army Corps District, and those who gravitate round Salisbury Plain in Dorset and Hants; they are all concerned in the making of the contract; they talk to the General before he makes it.

3037. Then granting that that is explained, is it also explained in your scheme why you prefer—assuming a district contract—tenant management rather than regimental management?—I do not know whether I have actually expressed it, but I may tell you now. I thought I had given you a strong proof when I expressed my horror at finding a regimental sergeant-major had accepted the stewardship of the canteen.

3038. But of course one swallow does not make a summer?—It is a most demoralising thing. I have had to say to a reserve man, before we understood about the unascertained profits, "Now sergeant so-and-so, you and I were together in action, and I like you very much, but your accounts for the profits have steadily diminished now, and if they go on diminishing you will leave the canteen as an ex-soldier." And they come back next month.

3039. Granting the tenant system, would you recommend that the tenant should have anything to do with the sale of beer, that the contractors should also have to do with the sale of beer retail and return a rebate in the form of a profit made on it; is that what you recommend?—Yes, I recommend that the man should hand it back to the General Officer Commanding the district.

3040. But do you recommend that he should hand that profit back. First of all, do you recommend that the contractor shall retail the beer?—Yes.

3041. Then if the contractor retails the beer do you suggest that he should hand back the profit in the form of a fixed rebate?—A fixed rebate.

3042. Which he has contracted for?—Yes.

3043. Or should it be simply in the form of whatever profit is realised?—No, a fixed rebate; that he has to take the profit or loss of it. This system has been running for a year, I must say, however, all the stipulations in favour of sobriety are mine, induced by my own thought and by my desire to meet Lord Roberts's views, because he has talked to me often about it. But this contract has been running, minus the precautions against pushing the sale of beer, for a year in the Western District, and men have been getting 3s. 1d. per hundred—just

Gen. Sir H. Evelyn Wood, V.C., G.C.B., G.C.V.G. at this moment 3s. a month for rebate; in other places I think it is 2s. 4d.

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3044. (*Colonel Bridge.*) Four shillings with us; that is the last?—I did not know you were getting so much; but at Shorncliffe they get 2s. 4d. or 2s. 6d.

3045. It varies from 1s. 6d. to 4s. ?

3046. (*Mr. Harwood.*) Does it not strike you that such an arrangement, where the contractor binds himself to return a certain rebate, gives him an inducement to make that rebate by pushing the sale of liquor, which would be very difficult to counteract by any number of precautions that you may draw up on paper?—I thought I had done everything I could against that contractor's point of view when I handed them this form of contract. These gentlemen asked to come and see me. Two big firms asked to see me. I preferred not to see them. I handed over to my Chief Staff Officer the contract and asked him to read it through with them; and they read it through. He pointed out particularly the penal clauses—just what you are suggesting—and these two firms said they had no objection to it at all, nor had they any objection to letting the Chief General decide disputes. If there is a contractor, and we think he is pushing the sale of beer, it is not necessary to prove it in a court, it has only to be proved to my satisfaction that there is more drunkenness, and I say: "Thank you, I will change."

3047. (*President.*) Does your statement that you have handed in to the Committee contain any suggestion as to how the sergeants' mess can be improved?—Only indirectly; I mention spirits, which are not allowed in the canteen itself; that we should supply spirits to the sergeants' mess through it.

3048. Have you any suggestions to offer the Committee on the question of the sergeants' mess; is there any reform in the sergeants' mess that you could suggest, and which you would like to advocate?—I should say that in consideration of the accommodation and the allowances given by Government, the sergeants' messes should be run on the same principle as are the canteens, and with pensioner servants and attendants, and with all the same penalties for infractions of contract.

3049. I understand that you are in favour of the district contract system, and that the reason you favour it is because you are satisfied that it secures greater material advantages for the soldier?—Yes, and a lessening of temptation.

3050. And that is the justification for limiting the freedom of the regimental officer?—Yes.

3051. (*Major-General Eaton.*) Have you considered the question of forming a central organisation under the War Office for supplying all the canteens?—I have thought of that, but, honestly, my feeling is against it. I was asked by some officers under me in the 2nd Army Corps, who thought I had capacity for trade, whether I would not make one contract; but I disliked it; I said, "No, I am the apostle of decentralisation, and I do not want to centralise. If you centralise in London, or in any of the big towns, you do not get the advantage of the civil trade, and you have to supply one small community; whereas if you go to district contracts you have all the civil trade to help you out in the contract. I am generally an advocate of making the soldier more like a civilian, and the civilian more like a soldier, so that, personally, I should be sorry to see any central supply association formed. But I ought perhaps to explain that I did try to help the Canteen and Mess Co-operative Society when it started. I asked some of my friends,

commanding officers, to do so. I thought it would be a good thing; and what was more, it was one more competitor against these great people. But it was not satisfactory. I asked one Commanding Officer yesterday, and he said he had no complaint against them except want of experience. He said he gave them up. And one man I asked pointedly in 1898 gave them up for the same reason, but I persuaded him to keep on and try a little longer. I said, "Give them time, it is a new association," and they have kept some of their trade. But it is not encouraging to me. And besides, if they were absolutely successful and gave satisfaction, I would sooner not have any system under which men are supplied by officers. The same principle on which I want to decentralise to the General Officers serving under me exists in this respect. I would sooner not have central organisation.

3052. (*Mr. Harwood.*) But would you object to having another kind of association to provide, which would be optional—which would be, as you put it, another competitor. Supposing you had a wholesale association organised, which would offer to supply things without profit beyond a mere return for working capital, would you object to that?—I do not think so. If it were left to my choice and I was allowed a free hand I should not go them; I should offer to the big firms and say, Will you supply me?

3053. We may tell you, perhaps, that, for instance, we have had witnesses from Lipton's, and the general drift of their evidence was that it is not a profitable business now; they have entered into it, but it is cut so fine that it is not a profitable business. If it remains as it is now and they get no more out of it, my own impression is that they will go out of it. Have you contemplated the position—you say you require firms with experience—that you may finally be left with only one firm, that is Dickesons, and if that one firm is left and you only favour that firm, and you have no competitors provided, you will be at their mercy?—I do not think, with this sort of thing, there is any chance of any one person becoming predominant in it. I do not want to mention people, but I am utterly sceptical after 30 years, as I have said, when prices are cut low less rebate will be offered and accepted. The soldier thus gets the benefit in another way.

3054. (*President.*) But did I correctly understand you to say that if there was a central Army organisation established you would not go to them?—Certainly not, unless I was ordered to do so.

3055. But supposing that you had freedom to go wherever you liked, would you prefer to go to Lipton, or Dickesons, rather than to a central organisation, even though it tendered below the prices of Lipton or Dickesons?—I think I would go to it if the central organisation would accept all my terms as in my proposed contract, and all my penalties, and take me as arbitrator between them and my Generals. I would then go to the cheapest, taking care I got best quality, or I would change the contractor.

3056. I want to get it on the notes. You would go to a central organisation on those terms?—Yes; I have no feeling against any one thing at all. I should go to them, only they would have to accept my terms; they must not be able to shake any Adjutant-General at me, and get him to go into the question. There are very few Generals who will say I do not mind what the Adjutant-General says. I am always afraid that if we set up a central organisation, that weak-kneed Generals will be afraid to oppose what they think is approved by the Adjutant-General.

The witness withdrew.

After an adjournment,

Major CHARLES WALLIS KING, D.A.A.G., called in and examined.

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3057. (*President.*) I understand that you have had a very large experience of canteen management, and particularly as regards the qualities of goods sold at canteens?—Yes.

3058. Part of your official duties is to inspect canteens, I think?—It has been for the last seven and a half years.

3059. I see that you have prepared some statement to put before the Committee; I think perhaps the best way will be for you to put it before us?—I thought it was impossible to give you all the information I have

gathered during the last seven and a half years, and that it would be very much better if I made a brief outline dealing with the different systems of canteens, different management, and also dealing with co-operation and certain recommendation, so that I have put down an outline of what I thought might assist you.

3060. Will you kindly give us the benefit of it?—On the 1st of July 1894 I was appointed Inspector of Rations for the Home, Woolwich, Thames, Eastern, South-Eastern, Southern, Western, and North-Western Districts. On the 7th November in the same year I

received instructions to inspect groceries, vegetables, milk, &c. supplied to regimental institutes, in addition to rations. On the 14th February 1895 my inspections were extended to Aldershot. On the 1st May 1895 I was appointed Inspector of Rations to the North-Eastern and Scottish Districts in relief of Colonel Day, A.S.C., and in addition to above I received further instructions to report on malt liquors supplied to canteens; and in the same month orders were given me to inspect all canteens in Ireland, with additional inspections in the Mediterranean. On the 1st July 1897 I was appointed Deputy Assistant Adjutant General for Supply Inspection for Great Britain. On the 1st March in the present year I was relieved of all these duties by Lieut.-Colonel T. D. Foster, A.S.C. On taking up the duties of Inspector of Canteen Supplies in November 1894, I had no expert knowledge worth speaking of to guide me, being left entirely to my own resources. I must tell you that it was Lord Methuen, who was then Commander of the Home District, who sent for me and told me that I had to take up these Home Inspections in addition to my other duties. I found the duties congenial and interesting, and a series of close inspections afforded me opportunities of acquiring the necessary experience of matters affecting the supply of regimental institutes. The cheapest and best source of supply, upon which I was ordered to report confidentially to General Officers Commanding, opened up a phase of the question which entailed much inquiry and investigation into the why and wherefore of the prices paid, as compared with quality, both of these varying remarkably throughout, in many instances in institutes situated in the same barrack or station, and supplied by the same contractor. The elucidation of this part of the subject brought me in contact with the management of regimental institutes then prevailing, and suggested a comparison of the several methods adopted to admit of a reliable opinion being formed as to the merits and demerits of the existing systems, and the advantageous features of each, which weighed with Commanding Officers in giving preference to one over another. These systems may be classified under the following heads:—(1.) Individual purchase and regimental management. (2.) Purchase by district contract and regimental management. (3.) The tenant system. The advantages of system No. 1 are: (a.) Largest possible profits from a retail source. (b.) Close touch with the requirements of the men. (c.) Useful knowledge acquired by officers, and training to men, which benefits their chances in civil life. The disadvantages are: (a.) Time taken up by Canteen Committee and men employed, the latter being withdrawn from military duty. (b.) Financial responsibility of officers. (c.) Demoralisation of stewards, &c., by temptation and opportunity for fraud. (d.) The danger of paying too high a price, which becomes obviated by the district contract system. The advantages of No. 2 are as follows—

3061. Is this second alternative purchase by district contracts?—Purchase by contract.

3062. By making a district contract?—Yes; that is to say, simply making a contract for the supply of malt liquors and groceries, and leaving it to the Commanding Officers of regiments to run their own institutes.

3063. That seems to mean that individual purchase might be by contract?—Yes.

3064. So the differential point is the district contract?—A district contract is a combination of the whole of the institutes.

3065. Would it make it clearer to your division if you put the word "district" before "contract"?—Yes, quite so.

3066. I do not wish to suggest the word unless it is correct. You admit that it is correct?—Yes, quite correct. The advantages of system No. 2 are: (a.) Lower prices than when the institutes buy separately. (b.) An assured and uniform quality. (c.) Removal of incentive to bribe, and consequent minimising of demoralisation of canteen stewards. (d.) Lessening of work to canteen presidents by the above advantages. The disadvantages are: (a.) The lessening of individual interest of Commanding Officers through the selection of the source of supply being made by a representative board of officers. (b.) Removal of healthy competition between regimental institutes, which becomes unnecessary, as all institutes secure supplies on equal terms. The advantages of system No. 3 are: (a.) Saving of time of staff

and regimental officers. (b.) Saving of soldier labour. (c.) Saving of financial responsibility of officers. (d.) Securing of maximum of fair profits. (e.) Employment of large numbers of discharged soldiers and reservists. The disadvantages are: (a.) The possibility of the tenant securing the greatest pecuniary gain. (b.) Tendency of Commanding Officers to concentrate attention more on the money grant from contractors than on the quality or method of supply. (c.) Difficulty of fixing fair rebate to regiments. I think these advantages and disadvantages are self-evident, but should you care for their amplification I could give instances in each case to support the soundness of the conclusions arrived at. Having well weighed the evidence, and watched carefully the working of these three systems of supply as carried out by each individual unit, in accordance with its own views as to what was best in its interests, I came to a tentative opinion that the tenant system afforded the best basis upon which to build an efficient structure for the supply of regimental institutes in the Army. Having come to that opinion, the next question which occurred to me was who would make the best tenant, the brewer or grocer? The existing state of things showed that brewers, wholesale grocery firms (including the Army and Navy and Junior Army and Navy Stores), a few small traders, and the Canteen and Mess Co-operative Society, were the principle purveyors. I should like it to be distinctly understood that in mentioning the Canteen and Mess Co-operative Society I do so in no way as to throw any reflection on it or its members; all I want to convey is that I have tried them, and I give the reasons for trying them. This brought me in contact with the Canteen and Mess Co-operative Society, Limited, whose alleged co-operative principles, objects, working arrangements, &c., attracted my attention, and on being approached by the promoters I closely associated myself with the management, in the belief that it contained within itself exclusively the very elements I was in search of for the successful working of regimental institutes on the tenant system, and I recommend it accordingly, being assured that its shortcomings in management, quality and prices, such as might be expected in a newly-formed organisation, would vanish with increased knowledge and trade. About this time the General Officer Commanding the Western District decided to supply the whole of the regimental institutes in his command by contract.

3067. (President.) Who was that General?—First Sir Richard Harrison, afterwards Sir Forestier-Walker, and then General Sir William Butler. After inviting competition, the former divided the supply between the Army and Navy Stores (Plymouth Branch), and the Canteen and Mess Co-operative Society. At first this worked fairly well owing to the healthy competition between these two societies. Some time after the tenant system was adopted, and the Canteen and Mess Co-operative Society was appointed to the tenancies. The arrangement appeared to work successfully for a time, but whether, owing to its rapid extension of business or other causes, there can be no question but that the quality of the goods supplied, not in exceptional instances only, but throughout the institutes under its control generally, appreciably deteriorated. This gave rise to unfavourable reports, followed subsequently by rejections, but little or no improvement resulted therefrom, owing to the constitution of the organisation being such that any expense incurred through my endeavours to maintain the quality of the articles supplied under contract fell, not upon it, but upon the soldier; and this fact makes me frequently consider before making a rejection which I should not have hesitated in doing with another firm. Moreover, as it has no profitable outlet for its rejected goods, any loss incurred thereby becomes a charge against the funds available for distribution amongst the institutes catered for. One of the many difficulties experienced in my endeavours to maintain good supplies was the way in which complaints were met. I think I may safely say that invariably where the Commanding Officer or president of an institute happened to be a member of the society very little notice was taken of representations regarding inferior quality. The position was that he found himself between two fires; had he carried out my recommendations that such supplies should be rejected he fell foul of his own society; and as this was too dreadful to contemplate the inspecting officer's suggestion went for nought. In other words, the Commanding Officer was the buyer and seller, a combination which rendered futile my best efforts for the improvement of the soldiers' food. The invariable reply was, "The men

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don't complain," but this was only natural. Who would not hesitate to complain, knowing the position his Commanding Officer held? In cases where articles supplied by outside firms were complained of, they were at once brought to notice and rectified, without expense to the soldier. So much for the quality, but the rebate also is affected under the non-competitive system. For instance, at Caterham, where the Commanding Officer put the tenancy of his institutes to competition, the Co-operative Society pays him 4s. per man per month, with a promise of surplus profits, but at Aldershot, where the Commanding Officer is a member of the committee of the society, he is satisfied with a promise of all surplus profits, that is to say, in one place he has promised a fixed rebate of 4s., in the other place he has no fixed rebate, but a promise of all profits. I want to prove that the fixed rebate is better than the uncertainty. As I say, at Aldershot, where the Commanding Officer is a member of the committee of the society he is satisfied with a promise of all surplus profits, which, when realised, resolves itself into 1s. 6d. per man per month on beer and 10½d. on groceries, or a monthly rebate of 2s. 4½d. per man.

3068. Are the conditions equal, do they justify the comparison?—The quality would be equal.

3069. Is the strength of the men equal in each case?—No, the strength would be more at Caterham than at Aldershot, considerably.

3070. Does not that make a great difference?—No, for the simple reason that the cartage to Caterham would be more expensive; there would be the rail from London to the station, and cartage from the station to Caterham Barracks, which is enormous—the cab fare is 2s. 6d. General Eaton could speak to that better.

3071. (Major-General Eaton.) There are also some tremendous hills?—Yes.

3072. (President.) That, you think, neutralises the advantage that they get in having a larger strength of men?—Yes, I took that into consideration. On bringing the Caterham rebate to his notice, he failed to see the advantages of a certain 4s. with surplus profits, as compared with the chance of "all profits," although the yield from the latter was 1s. 7½d. per man per month less than the former, notwithstanding the heavy cost of carriage and cartage to Caterham, as against the advantages of a branch establishment at Aldershot. Neither did it occur to him to consider that with a dishonest steward his rebates might have been nil, which would have been a bad look-out for the soldier; but with a fixed rebate the soldier is bound to get the amount so fixed by the contract agreement, and he only runs the risk of losing his surplus profits, which is a business-like arrangement. What I mean to say is, that if you have a fixed rebate of 4s., then you are certain of that amount, but if you have it that you will get back "all profits" you have to rely upon the honesty of the stewards, and you may have a dishonest steward. That happened with the regimental system, it happened with the Canteen and Mess Society, it would happen with Lipton and Dickesons, it may happen with anyone—you may get a rogue. Of course the society, by not guaranteeing a fixed rebate, is covered against loss. Again, at Woolwich an institute gets 7l. per 100 men per month, equivalent to about 1s. 6d. per man, with a promise of surplus profits. Had this institute been put up to competition, I know of no reason why it should not have received double the amount of rebate, and cannot understand why Commanding Officers should favour such arrangements, obviously against the interests of their men. At Wellington Barracks the rebate is 3s. with surplus profits, at Windsor 3s. with surplus profits, the Tower 3s. with surplus profits, Pirbright 3s. 6d. with surplus profits. Anybody knows that the expense to Pirbright is more than to Wellington, Windsor, or the Tower. Pirbright was opened to competition, and affords another illustration of the advantages to be gained for the soldier by this, the only commercial method. Chelsea Barracks, supplied by a different firm, gets 3s. 6d. with surplus profits, again owing to competition. I simply want to draw your attention to the fact that by competition you get greater advantages than without competition. I am fully aware that many distinguished officers joined the committee of management of the Canteen and Mess Co-operative Society in the interest of the soldier; that I am assured of. I am quite certain with regard to the Canteen and Mess Society their objects have been perfectly straightforward and honest; people have tried to pick out little things—mistakes they have made—

and tried to turn them to their discredit; but I am perfectly convinced that whatever the Canteen and Mess Society have done has been with one object, and that is the interest of the soldier; and in its earlier days it cannot be gainsaid that this system of co-operation did excellent service as a competing unit. But, whether owing to the nature of their association or their incapacity to cope with the volume of trade which fell to their share, or whether it felt sure of a monopoly, I cannot say, but the fact remains that this organisation is unable to successfully compete with large firms who do not solely rely upon canteen business for their trade, but look upon it rather as an adjunct to their existing business. It must also be remembered that firms having branches already established throughout the kingdom are able to conduct their trade without the additional cost and up-keep which any central organisation must entail, and which would have to be borne entirely by the soldier. For instance, any central organisation formed for the sole supply of regimental institutes throughout the Army must do one of two things, viz.: (a.) Provide itself with a special staff, office, and store, at each out-station, where bulk could be broken and from which distribution could be made; or (b.) Distribute by rail or other conveyance direct from the central headquarters organisation. The stations are few where the Army trade alone would justify the expense and up-keep of a branch office and warehouse, so that for most stations the goods would have to be sent by rail, at a cost which would appreciably raise the prices or reduce the profits, and put the possibility of competing with established retail and wholesale houses out of the question. Take Glasgow, Liverpool, or Bristol as cases in point. I contend that no central organisation could hold its own against the local tradesmen in open competition. I am also firmly convinced, after an experience of seven and half years, that any departure from the sound and business principle of open competition would be pernicious in its effects upon the regimental institutes of the Army, and thus to the detriment of the soldier. I have heard it said that a central organisation would not prevent competition, as the canteen governing board, or co-operative system, or organisation, or whatever form it may assume, would do the competition and buy for the institutes. But every institute can do this for itself, either regimentally, or by brigade, district, or Army corps contract; the time taken would not occupy more than one hour a year. Then why cripple the institutes of the Army by saddling them with the heavy cost and up-keep of a redundant middleman. Apart, however, from the objections to the adoptions of a central organisation on principle, there are a number of disadvantages, which I will enumerate: (a.) Up-keep of an unnecessary and expensive organisation; (b.) Introducing a monopoly; (c.) No obligation to maintain quality or cheaper prices; (d.) Difficulty in rectifying complaints; (e.) Every loss arising from errors of judgment in buying, or wastage in handling perishable goods (not necessarily through want of expert knowledge), must fall on the soldier, which is a thing which might happen to anyone; the best buyer in the world might make mistakes and buy bad stuff or inferior stuff. Now I come to the following recommendations: (1) That discretion should rest with General Officers Commanding army corps as to whether the institutes of the Army corps under their command should be conducted on the regimental or tenant system, or partly on both. (2) That a contract should be made after open competition for both beer and groceries. (a.) On the regimental system it will be necessary to obtain wholesale quotations for both malt liquors and groceries. (b.) On the tenant system the retail price of malt liquors and amount of rebate should be fixed, and a stipulation inserted that all additional profits are to be returned to the unit. The rebate should be fixed according to the strength of the unit, and should not exceed 2s. per man per month. A clause should also be inserted that any rebate or discount given by the brewer to the tenant would be sufficient cause for placing both on the list of persons ineligible to hold contracts. The provisions of this clause would discourage tenants pushing the sale of beer, as there would be no difficulty in making the amount of fixed rebate, and, as all the profits would have to be returned to units after working expenses have been paid, no pecuniary advantage would accrue to the tenants by increasing the beer trade, and thus temperance is promoted. I think that is one of the principal objects in canteen management. (3) Groceries and supper

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rooms. The quality and retail prices should be specified, the amount of rebate to be thrown open to competition, and the contract accepted on its merits. (4) The cost of defraying amusements in regimental institutes should be borne from the rebate and surplus profits handed over to Commanding Officers by the tenants. (5) The tenant should be a grocer, for the following reasons:—When a brewer is appointed his principal care and attention will naturally be devoted to the branch of the business which he understands best. The selection of the grocer will be a matter of subsidiary concern to him and the quality of the supplies is likely to receive but scant consideration at his hands; whereas little knowledge is required for handling beer, and the grocer will depend entirely for his reputation and turnover on the quality of his goods and general attractiveness of the institute, knowing well that if his goods are appreciated his success is assured. (6) In conclusion, I feel convinced from my prolonged experience that a good tenant system, open to healthy competition and subject to frequent and strict inspection by expert military officers would answer the requirements of our army better, and be more conducive to the comfort and welfare of the soldier than any alternative scheme yet propounded. That is a general outline of my experience during the last 7½ years.

3073. Then I understand you are in favour of limiting the rebate on the wet canteen to 2s. ?—Provided that all surplus profits are handed over to the regimental institute. The reason for that is that there should be no encouragement to push the sale of drink. Some people think there is an encouragement, but I am of opinion that you cannot make the soldier drink any more than you can make a horse drink.

3074. How do you reconcile that recommendation with your very strong criticisms on the action of those regimental officers who accept the Canteen and Mess Association at a low price when they might have got a higher price by offering it to competition ?—The tenant system as now worked, and the system recommended by me is entirely different, in the former the fixed rebate is on both beer and groceries with surplus profits. What I recommend is that the rebate on beer should be fixed with return of all surplus profits, and the rebate on groceries should be put to competition—this was not done by the officers referred to in my criticism.

3075. It is a very interesting statement that you have submitted, and we shall require to consider it carefully. Have you ever considered closely and examined the working of workmen's co-operative societies ?—I have seen a lot of co-operative societies in different towns which I have been to, and in many instances canteens have dealt with them. The great attraction it appears to me is that they get a rebate of 2d. in the shilling, or something of that sort; and the great attraction is to get it, because it at once means a surplus profit, and with some Commanding Officers their sole idea seems to be to get as much profit as they can in their hands, so that they can spend it on other things; there are one hundred and one things that a Commanding Officer wants—small things.

3076. I am not talking of what the Commanding Officer is going to do with his profits. What I asked you was whether you had considered the working of these co-operative societies, which are managed upon principles which you seem to think impossible to apply to the army ?—Yes, but I always take into consideration that with the co-operative societies it is open competition. I am in favour of anything that is open to competition; I am in favour of all co-operative societies provided that you do not force people to deal with them. As long as it is thrown open to competition, as long as the co-operative society competes with the trade, I am in favour of it; the more competing firms the better. That I am in favour of.

3077. But the point of your paper is that you are in favour of a definite contract, so much for rebate agreed upon in your contract, because you fear that the soldier may lose his profits owing to the possible dishonesty of the man in charge ?—Quite so. I will not say it is a daily occurrence, but I daresay throughout the army (Major Stopford will tell you better than I can) that the courts-martial that are held in the year on canteen stewards are numerous; I know it is a common thing to have courts-martial on canteen stewards owing to dishonesty. You cannot trust the canteen steward. I am talking of the majority; I do not say there are not honest men among them, but,

taking them generally, you cannot trust the canteen steward.

3078. But the remarks in your paper go to show that you object to that system of management, whether it is run by the regimental system or by district contract ?—What system of management do you refer to ?

3079. That all profits realised by the canteen should be handed to the regimental officer ?—I am in favour of that.

3080. You prefer, according to your paper, a fixed rebate ?—With the surplus profits on the beer. I mean that all profits on beer should be returned to the Commanding Officer. Then there can be no encouragement to make the soldier drink. Some people have an idea that it is an encouragement on the part of the stewards or the tenants, whoever they are, to make the soldier drink. I do not hold that view. My opinion is that you cannot make the soldier drink. If he wants to drink he will have his pint of beer; if he does not want it he will not have it. You may get up entertainments in the canteen, an attractive entertainment or something of that sort, so that the soldiers may go into the canteen, but he will not drink if he does not want to.

3081. You are wandering a little from my point. What I wished to know was whether if you had studied the working of the co-operative system ?—Yes, I have.

3082. From the point of view of management ?—Yes.

3083. Are you aware that there are over 1,400 co-operative societies managed by working men who pay their own manager, and who divide among themselves all the profits realised by that co-operative store, which are divided among the members in proportion to their purchases ?—Yes.

3084. You are aware of that ?—Yes, but they do not get the value of their money.

3085. You do not think they get the value of their money ?—I am quite convinced of that. I have studied it and watched it in every town in England. There is an enticement: "You come to us and we will give you " 2d. back, or 1d."

3086. Two shillings in the pound, on an average ?—Whatever it is—10 per cent. on the whole. But you can go to other shops, not on co-operative principles, and get better value for your money, and very much better value. Take the Army and Navy Stores as an instance.

3087. That is run on quite a different principle ?—I give you an instance in Pembroke Dock. I remember the Artillery went there to a local co-operative store, and their chief advantage was that they got 2d. in the shilling back—a big rebate. What was the result ? They had an inferior quality for it. It did not make any difference to them; they went for the rebate—that was the attraction. They got their pound of tea, but it was of inferior quality.

3088. But the Commanding Officer and the committee responsible for inspecting the quality of the goods—were they satisfied ?—There were no complaints. The canteen steward was satisfied.

3089. (Colonel Bridge.) Were you as the inspector satisfied with the quality of the goods ?—No.

3090. (President.) You were satisfied that the quality of the goods was good ?—No, just the reverse—that they were not right.

3091. And you think the quality of the goods supplied by the ordinary co-operative store is inferior ?—I say this, that you can get better value for your money at an ordinary house—I do not mean to say every house, but the majority of houses, grocers that are not on the co-operative principles—than you can at a co-operative shop.

3092. Do you think that the poor man that trades at that retail shop has the same value for his money ?—He gets greater security.

3093. Who inspects it ?—No one; but it is the competition. In the other place there is the enticement or inducement to get a ticket for which at the end of the month he gets a little pocket money or rebate.

3094. Then I am going to ask you this. How do you account for the phenomenal growth of that co-operative movement which has a turnover of 70,000,000l. a year ?

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—I can only answer it in this way. Why do not all co-operative societies deal from the wholesale organisation? Because they can buy better and cheaper elsewhere.

3095. But they get about half their goods from the Wholesale Co-operative Society?—Not the Canteen and Mess.

3096. I am not talking about the Canteen and Mess Society?—I am more in touch with them because I have watched and studied them. I have tried to assist them; I thought it would be a good thing for the Army; but I am for the soldier more than anybody else; my object has been to get the best advantage for the soldier.

3097. That is everybody's object?—I am certain it has been the object of the Canteen and Mess Society. I may say that being connected with the home district for a number of years, even in Lord Methuen's time—I have a letter from Lord Methuen now—he said that was his whole object: that he would go in for district contracts, or take up anything I wanted, provided it was for the benefit of the soldier. On the committee of management of the Canteen and Mess Society, they have had a number of business men (I do not say they are all business men), and I am quite sure that the object and principle of those officers has been the benefit of the soldier. There is no one who admires the principles of the Canteen and Mess Association more than I do; they have done an immense lot of good, but you want competition, which they appear to object to.

3098. Do you think that the district contract, which makes it necessary as I understand for every canteen to get its goods from the tenant, secures competition?—Yes, for this reason, if the General Officer Commanding the District invites tenders for the supply of groceries or beer or meat or bread, he gets perhaps 20, 30, or 100; he may get only five, but he will get a large number of offers, and it is the duty of the staff officer he employs to go through these and consider which is the best. He is bound to get the best terms. There is no reason why any co-operative society should not compete and tender for those supplies, and if they can undersell any other tradesman they will get the order.

3099. What is the advantage of putting the whole of the canteens in one district under one man?—Because you get better terms; the larger the turnover the better the price.

3100. What is the security that the tenant does not give you Irish bacon instead of American?—As I said before, you must have a rigid inspection by officers. It is no use taking an officer, simply nominating any officer and saying he will go round the canteens and inspect. What I should suggest (it is rather going into another question) is that the inspecting officers of all these supplies should be not junior officer, but the highest we could get; that they should be retired officers, reliable officers, and officers who would give their time and attention to it.

3101. I understand that you have handed over your duties?—I have handed over my duties, so I can speak freely. To begin with, when I was appointed it took me 18 months to get round the number of stations that I had to go round.

3102. Then your inspection could not have been very effective?—Why?

3103. Because you could not cover your districts—only one visit in 18 months?—Yes, from that point of view. But the way that I did it was this: If I went to a canteen and found that the Commanding Officer as president was interested, it was not necessary for me to go often; it was only necessary for me to go to a canteen where I thought the canteen steward or contractor was not honest.

3104. But I thought the value of your inspection was that you brought knowledge to bear which the Commanding Officer was without?—Yes, and I might go to a station where the Commanding Officer was a keen canteen president and he would go round his institute with me and I should give him the benefit of my knowledge.

3105. Do you think that the soldier is sufficiently protected as regards the quality of his goods, that he gets value for his money, if you have a system of inspection in the Army which only insures one visit in 18 months?—Certainly not. The more frequent the inspections the better. But what I want to bring to

your notice is that these officers should be permanent officers.

3106. So that they should be able to make surprise visits at frequent intervals?—So that the knowledge they gain day by day is not wasted after three, four, five, or seven years' service.

3107. You suggest that there should be a reform of the existing system?—Quite so.

3108. That is not one of your recommendations here?—No; because I have reason to believe that the Secretary of State, the Commander-in-Chief, and the Adjutant-General are all in favour of short appointments, that is, staff appointments; that no staff appointment should be longer than three years. But here is an appointment which requires a special training and expert knowledge, although it is only to learn about cheeses, tea, and the hundred-and-one things in connection with canteens; you cannot pick that up in a day; it takes time to learn all these things.

3109. What do you recommend?—If I was asked my opinion, I should say they should be senior officers of the Army Service Corps, because Army Service Corps officers are perhaps more connected with supplies than anything else. They should be senior officers, the senior the better, and they should be permanently employed under the Quartermaster-General, so that the man gathers his knowledge and goes on with it. The man becomes valuable after five years, when he is sent off to do something else.

3110. Free competition and rigid inspection are your two mottoes?—That is the secret of it. That is the whole of my experience—nothing more or less.

3111. (*Colonel Bridge.*) You took up your duties in 1894?—Yes.

3112. Could you say the "date when your opinion as to the value of the Canteen and Mess Society altered?—From the very beginning. I have got letters now—1895 I think they go back to—in which they were shown to be wanting. But I will be perfectly candid with you. It must be clearly understood that if I had not favoured the Canteen and Mess Society they could not have existed; I think you will all recognise that. Here is a co-operative society started for the benefit of the Army, and I was asked by the promoters to be lenient to a certain extent, to give them a chance—that they would improve; and from the very commencement I was lenient; but nevertheless they were wanting.

3113. Then in March 1899 you made a report to this effect. Was this because you were still in favour of the Canteen and Mess Society, and you were trying to patronise it? You said: "In this district the dry goods have been practically supplied all along by two firms, namely, the Army and Navy Stores and the Canteen and Mess Co-operative Society, Limited." "I have no hesitation in saying that this is the best supplied district in Great Britain and Ireland"?—In 1899? Where do I say that?

3114. Here is your report (*handing the same to the witness*)?—You are going into the report?

3115. Yes, I am only asking the question?—If you go behind these things like this, it is necessary for me to bring forward private correspondence; and I do not think in justice—

3116. No, I think that would be quite wrong. This is official?—I tell you candidly that I favoured the Canteen and Mess Association, to give it every reasonable chance and opportunity.

3117. This is an official paper, which I asked for officially?—That is my official report to the Adjutant-General. I think really it is scarcely right.

3118. (*President.*) A member of the Committee asks you if it is true that this was your opinion in 1899?—Then you must let me read the report.

3119. Certainly?—I have given it you in brief; I cannot go into the details.

3120. Well, it is a perfectly legitimate question?—After referring to the report you want to read the whole of it. It says, "The district where corruption was perhaps more rife than any other was the Western, and the General decided that the only way to stamp it out was to introduce the contract system, which has proved a great success and has now been in existence for about three years." That I quite approve of. What is Colonel Bridge's question?

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3121. (*Colonel Bridge.*) I asked you when your opinion as to the value of the Canteen and Mess Society changed?—From the commencement; I tell you that they were wanting from the commencement.

3122. But five years after that you made a report in which you said unreservedly—"without hesitation," I think is your expression—that the district which it was supplying in common with the Army and Navy Stores was the best supplied district in Great Britain and Ireland?—Yes, but at that time it was due to competition.

3123. I am not talking about that; I am only talking about the efficiency of the powers of supplying of the Canteen and Mess Association?—But you were under two firms; you were being supplied by the Army and Navy Stores and also by the Canteen and Mess Society in the Western District.

3124. If you go on further you will find how many institutions they were supplying; you also tell us that?—If you take the report on one Department you ought to take the report on the whole.

3125. Certainly, I think that report should be circulated?—May I ask why this one particular report is called for?

3126. (*President.*) It was submitted by one of the members of the Committee as a report bearing upon the whole question of canteen management?—Which member of the Committee?

3127. (*Colonel Bridge.*) I asked for it, certainly. Do you object to its being asked for in any way?—I have not read it yet. I object to nothing. My object is simply to assist everyone. What I would like to know is how Colonel Bridge knew that this report was sent. It is a confidential report to the Adjutant-General.

3128. I asked for all your reports, and I only got two. That is how I knew of it?—I quite agree with the whole of this report. I deal here with individual regimental management, contract regimental management and the tenant system, the same as I have done now. I do not quite understand what Colonel Bridge wants to know.

3129. (*President.*) He only asks you the question and a perfectly fair question, whether you can reconcile, the opinion that you give expression to there of the excellence of the articles supplied by the Canteen and Mess Society with the statements you have made in your present evidence?—But I say that from the commencement I made every allowance. Although the quality, like that of every other contractor, is not such that you could bring it under the Adulteration Act, there are various grades in the quality of all these supplies; and what I say is that by competition you can get a better supply. That this society was recommended, tried, and found wanting.

3130. (*Mr. Harwood.*) May I ask you are the Committee to understand that you do not consider that the Canteen and Mess Co-operative Society were equal in competition to some others?—They were not.

3131. They are not on their trial before us; but I only want to know this: do you consider that any inferiority, if there be such in them, as contractors arises from some principle in their being a co-operative society or from some defect of management of theirs, as might happen to any private business?—I do not think it has to do with either. I think in competition you get better value for your money, and that a firm doing other trade will take on the canteen trade for the turnover. A brewer will tell you that he does not take an army trade so much to make a profit out of it, but he wants to increase his turnover, and they can do it at a minimum amount of profit. If you take Liverpool or Glasgow, or any large town where they have a wholesale house, they will take on the canteen trade and be satisfied with 2 or 3 per cent. extra turnover.

3132. Then may we take it that your idea is that the inefficiency, if it be such, arises not from their being a co-operative society, but from their having a limit to the kind of business that they do?—Quite so. I say that the constitution is wanting; that if they were extended so as to increase their trade in anything, and turn them into another form—I have advocated this over and over again. Just as a contractor rests on his private trade and looks at the canteen trade as an adjunct.

3133. That is what I meant. Whether true or not it goes to the root of the matter. You say to the

Committee that you do not think any kind of business supplying there, whether co-operative or private, will succeed if it is confined to supplying canteens?—No, the canteen trade alone would not guarantee the monopoly. My opinion is this, which I have advocated: that if the Canteen and Mess Society or any other co-operative society did not confine themselves to Army trade alone, but take outside trade, they have an outlet for their rejected goods. Talking about the Western district, I am willing to assist Colonel Bridge; but we tried this tenant system in the Western District.

3134. (*Colonel Bridge.*) I am not favouring the tenant system at all. That paper was first procured because originally it was the first recommendation of the tenant system being introduced into the contract system?—But it has been a big question. First I was under the orders of Sir Redvers Buller, then under Sir Evelyn Wood. I was never certain of Sir Redvers Buller's wishes; all he told me was, never to let my right hand know what my left hand did. I do not know that I ever had much praise; I used to get perhaps more dressing down than other things. Then Sir Evelyn Wood was against tenancies; I think he will allow me to say that he was always for open competitions. In fact the inspections were my own practically. If I had any thing to bring to notice I brought it to notice, but I had to do everything off my own bat more or less; and what I tried to do was to find out which was the best system. At one time I thought the regimental system was the best, and at another time I might think the tenant system was the best. I have tried them all, and I have come to the conclusion that although the tenant system may be the best there is no reason why the regimental system should not be as good; but then you can get very few Commanding Officers to put the time and interest into it that it requires, and for that reason they fall back on the tenant system. A Commanding Officer told me, "The reason I go to the Canteen and Mess is because they will look after my work and I shall not be robbed; I know I shall get value for my money."

3135. (*Mr. Harwood.*) One more question. You say that the conclusion you have come to is that the Canteen and Mess Society does not succeed equally with private firms because it is limited to Army business. May it be possible that that want of success may be because its business in the Army itself is too limited?—I should say so.

3136. Supposing a firm limiting itself to the Army, but having a very large range in the Army, would it then, do you think, be able to compete with firms not limited to the Army?—By a large range you mean, what?

3137. Doing one third of the business of the Army?—I take it that a co-operative society doing the Army would do the whole of the Army canteen trade.

3138. I am rather startled about this society we have been talking of, about which I personally know nothing; you evidently have come to the conclusion that it does not succeed as a competitor in doing canteen business against private firms?—Yes, in other words the canteen trade of the Army does not guarantee a monopoly.

3139. We are not supposing that it would be a monopoly, but you say it does not succeed because it was limited to Army business and that you frequently recommended this particular society to increase its sphere of operations?—Yes, quite so, the monopoly would be the Army business.

3140. Supposing it had done more Army business, supposing it had done as much Army business as Dickesons do, would it then have succeeded?—No, it would not.

3141. I want to know whether its want of success was due to its being limited to Army business or to its limitations in that business?—I will tell you why: because the cost of carriage for out-stations would kill the profits. If you have a central organisation in London, and you have to send to different branches where you have not a branch office, the carriage would kill the profits. Take the carriage to Scotland; that would kill all profits.

3142. (*Colonel Bridge.*) But if it were sufficiently large, could it not have branch offices?—But I am supposing that you have a central organisation for the whole of the Army.

3143. I am only asking for information. Why should it not have branch offices as well as any other large

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business?—So it might; but the branch would not guarantee the trade.

3144. Because there is no retail trade?—There is no retail trade. You must have an outlet. If the Canteen and Mess Society would alter their rules of association the co-operative system, I believe, would answer well in the Army then; but on the present system of co-operation in the Army, that is to say, confined to the Army alone, the trade would not guarantee it. I have tried it.

3145. (*President.*) What are the articles of association which you object to; are they confined?—Yes, they are confined to the Army. That is, I say, their great drawback.

3146. (*Captain Boelmer.*) The biggest contractors are Messrs. Dickeson & Co., are they not?—In the Army at the present moment, yes.

3147. They have four-fifths of it approximately, have they not?—I daresay.

3148. (*Mr. Harwood.*) The Committee may take it that you were quite favourably disposed to the Canteen and Mess Association, and therefore your conclusion that it does not answer is not from any want of friendliness at all, but that you were forced by your experience to that conclusion? I have no unfriendliness to the Canteen and Mess Society whatever. I believe they look upon me as a deadly enemy—I am told so; but it is a great mistake. My interest is that of the soldier pure and simple.

3149. Then may we carry it so far as this: that you hold that even if there were one society, one organisation to provide all the Army canteens, even in that case that organisation could not do the business as well as an organisation which is also doing business with the outside world?—I think that is very apparent to everyone.

3150. On what ground?—Because the carriage to branches at out-stations would kill the profits.

3151. I want to understand that quite clearly?—In London, of course, there is no expense. You can buy in London just as cheaply as in Bristol, Glasgow or Liverpool; but at either of those stations, Bristol, Liverpool or Glasgow, where you have one regimental institute, and not a very large one, I say you could buy cheaper than you could in London, because these places are open markets just as London is. When we take the expense of sending goods from London to those three places which must come out of the pockets of the soldier, then you can buy there cheaper.

3152. But what is to prevent any organisation that was entrusted with this business doing what any private firm would do if entrusted with it. You have not, I am afraid, a very good opinion of military affairs. Do you suppose that the War Office would not have the wit to understand it and the elasticity to adapt themselves to it? You do not suppose that they would buy all in London because the organisation was in London and ship everything from London, say to Cork—buy Cork butter shipped here to London, and then send it back to Cork?—That is the very thing that they are doing at the present moment.

3153. Sitting in the House of Commons, I am prepared to believe that they are doing anything; but I want really to get to know why you suppose they would not possess the ordinary wit of business men and do as business men do. You understand I want to get at what is the basis of your conviction that a society organised to do this trade could not do it as well as a private firm or any other kind of firm that is also doing business in any quarter of the world?—Because, as I told you, the private firm has an outlet, and it takes on the Army trade as an adjunct to the business.

3154. I want to know why they should not?—I can no more tell you than that I know for a fact that pigs are killed in Ireland, that the bacon is cured there, it is sent to London and smoked in London, and after being smoked in London it is sent back to Ireland and sold in Ireland.

3155. But that is not military. The business does that?—I am talking of the business.

3156. (*President.*) Is it the Canteen and Mess Society who does this?—No, I am not talking of them.

3157. Who is responsible for it?—A dozen firms, 20 firms; it is the common way. Irish bacon comes over in a salted state to London, it is smoked in London, and goes back to be sold in Ireland.

3158. (*Colonel Bridge.*) Do not you think there is a very good reason for that, just as English horses go over to Ireland to sell as Irish hunters and come back to England?—Quite so.

3159. (*Mr. Harwood.*) I wanted to know whether there is any reason beyond simple accident how it has arisen. These contracting firms began of course by being business men outside, and therefore they developed the canteen business alongside; it extended their business, that is obvious. But that has arisen from circumstances. What I want to know is, do you consider that accidental fact, a mere incident in the development of the thing, is an integral reason for their success against the Canteen and Mess Co-operative Society, because they have business in the outside world?—Yes, because it enables the wholesale house when it has got a certain amount of canteen trade to buy larger than its requirements for its ordinary trade. If it has a canteen trade in addition to the ordinary wholesale trade it gives it the chance of buying a larger quantity, and if it buys a larger quantity it gets an extra $2\frac{1}{2}$ per cent. rebate on its turnover; and for that reason it is anxious to take on an Army trade. The secret of all the supply of course is in the buying. If you can get better terms when you are buying over other firms, you can give the Army the benefit of those terms.

3160. But surely you would allow that any organisation buying for the whole canteen system of the United Kingdom would be a sufficiently large buyer?—No, take the turnover of Lipton's. I suppose the whole turnover of the Army as compared with Lipton's turnover would be as a drop in the ocean. Lipton's canteen turnover is small.

3161. Even supposing we got a society that supplied all the canteens in the United Kingdom, it would not be on a sufficiently large scale, you think, to buy as advantageously as a great firm like Dickesons?—Even if you supplied the whole of the Army it would not. If you supplied stations like London and Aldershot it might; but you would kill yourself by sending to your branches and kill future competition.

3162. (*President.*) You mean the cost of carriage?—Yes.

3163. You do not know what the strength is that is supplied by the Army canteens?—No, I do not know, roughly about a million.

3164. How do you get at the million?—Calculated by the turnover; I have gone years ago into the amount of the turnover in each canteen.

3165. That is to say the clientele affected by this organisation amounts to a million: how do you arrive at that?—I have gone into the figures in the earlier days; I cannot tell you exactly, but so far as I recollect it was roughly a million.

3166. We are talking of the mouths which are fed at the canteens?—The number of troops do you mean?

3167. Yes?—I cannot tell you that, but the War Office here could easily tell you.

3168. (*Major-General Eaton.*) Your evidence amounts to this: that any firm with a small canteen business must have a larger percentage of profits to make it a successful business than a firm with a much larger business. Any trading firm with a limited business requires a larger percentage of profits than a firm with a very much larger business to make it a success?—Quite so.

3169. Therefore that is the reason why the Canteen and Mess Association is not a successful society?—The only thing I can say is, that, in my opinion, if the Articles of Association were altered so that they could do a private trade in addition to the Army trade, I see no reason why they should not compete with any one.

3170. That inferentially answers my question; they are not a big enough firm?—Yes.

3171. Therefore they want bigger profits?—Yes. I daresay the secretary could tell you (he knows more about it than I do) that with his present staff he could double his trade without any additional cost.

3172. (*Colonel Lambert.*) May I ask when you gave up your appointment. How long have you been out of your appointment as Inspector of Canteens?—A month.

3173. Then I understand that you have a rooted objection to co-operation generally, on the ground that in certain cases you have known supplied things no

of the nature and quality demanded by the purchaser?—Yes.

3174. Then my question is this: have you ever known such a thing to happen under the tenant system in a regimental institute which was under your own inspection?—Yes, in your very own.

3175. Therefore the same reason that you found your objection to co-operation upon exists in other cases as well?—I do not quite grasp what you mean there. I have no objection to co-operation. That is where you are wrong.

3176. (*President.*) But I understand your objection to the Canteen and Mess Co-operative Society is that it is too small. You say it must be an adjunct to a bigger movement?—That exactly expresses my sentiments.

3177. And your sentiments are exactly what a land-owner thinks of "three acres and a cow," that no man can make a living on three acres?—Yes.

3178. I want to ask you this question. I refer to this enormous co-operative system, with its capital of twenty millions and a turnover of eighty millions. Supposing that the Canteen and Mess Society was affiliated to that great big association?—They are now, I understand.

3179. Then if they are affiliated to that central Wholesale Association, which is a bigger individual association than Lipton's, Dickesons, or any other distributive firm, does not that meet your objection?—My answer is: why if this enormous wholesale co-operative society can give such great advantages, and better terms than anybody else, do not the whole of these branches deal from them; why do not the Canteen and Mess Society derive the whole of their supplies from them? Because they can get better terms elsewhere.

3180. Are you aware that of the 1,400 workmen's distributive stores which deal with the wholesale organisation, they take very little more than half their supplies from the wholesale organisation?—That shows competition; they can go where they please.

3181. They can go where they please; but in respect of half their purchases they find it suits their interest to deal with the central Wholesale Association, which buys in a very large manner, on most advantageous terms, and distributes back to them all the surplus profits on their transactions after they have given from $3\frac{1}{2}$ to 5 per cent. on their share and loan capital?—It is like the trade everywhere, you have wise men and other men. With the wholesale organisation there are certain things you can get better than anywhere else, and you will find that the Canteen and Mess Society take advantage of that and they get these things. The same with the Army and Navy Stores. If you want to get tobacco or drugs I believe you will get them better there; but when people go and buy bacon and meat of the Army and Navy Stores the stores make great profit out of them.

3182. I want just to ask you one or two more questions upon this point. The artisan and the poor wage-earner to whom it is of the greatest importance to get the best value for his money, is, as a rule, an ardent co-operator; he trades with this co-operative society, and we are informed by a witness who gave evidence here yesterday that they have got some 1,700,000 members of these co-operative societies. He told us that the soldiers were the only section of the nation that did not trade with these co-operative societies. When you have got this evidence, of 1,700,000 men, to each of whom it is of the utmost importance that their money should go as far as possible, and when you find them all trading through a great co-operative association which hands them back all the surplus profits that are realised after interest varying from $3\frac{1}{2}$ to 5 per cent. has been paid on loan and share capital—do not you think it is evident that a similar principle might be adopted with advantage in the Army?—Provided it was open to competition, I should think it would be an excellent thing. The advantages of this co-operative society that you speak of are, that you do not compel these artisans to go and buy there, but they go of their own free will. There are certain things they find they can get better there than elsewhere, and they naturally go there. And then there is that inducement, encouragement, or enticement of getting a ticket; you buy so much and get back so much. The wife goes and buys stores and the husband pays for it, and she gets the

rebate at the end of the quarter, which she keeps to herself. Otherwise the husband might go and spend it in drink.

3183. (*Mr. Harwood.*) You call attention to the fact that the branch societies affiliated do not do all their business with the Wholesale Association?—Yes.

3184. Is not that easily understood partly from the fact that a good deal of their business is just the same that the canteens have meat, vegetables, and so on—that cannot be done with the wholesale society, but must always necessarily be bought in the locality? It is not a reflection upon them that they not do all their business with the Wholesale Society, because I do not think they could possibly do it, any more than the canteen could get its perishable goods from a central store?—I think we all know in the Army Service Corps that it is cheaper to make a contract—you mentioned meat—for dead meat than it is to buy cattle and kill it ourselves with free labour. The thing answers itself. All I can tell you is that it is the competition. I do not know about Aldershot—Colonel Bridge can tell you more about that than I can; but I believe that is correct—that it is cheaper to make a meat contract than to buy cattle and kill it ourselves.

3185. (*Colonel Bridge.*) That is because you get so much frozen meat in?—Not now-a-days.

3186. Now it is limited; I could not say what the present figures are?—Now-a-days it has to be home-bred, which is another outlet.

3187. (*Mr. Harwood.*) I was meaning not so much that, but this: that there must always be a good portion of your business, with every co-operative society as with every canteen, that depends upon perishable commodities, which are much better bought in the neighbourhood; therefore, it is no reflection upon the central distributing organisation that they do not buy everything from them. It must be so. I know in my own neighbourhood they buy their meat, eggs, and butter close to, and they do not send to the central society for it; but it is only in the matter of things that they can get from the central body that they deal with it?—No doubt. I was going to point out that a peculiarity of the Army is, that although it is laid down in the King's Regulations that the soldier may get his groceries from where he likes, yet all admit, I think, that he is practically bound to draw his groceries from the canteen; therefore he must take what the canteen gives him.

3188. (*President.*) But you very properly point out that in a self-contained organisation the cost of carriage to outlying stations must kill it?—Yes, for the canteen trade alone.

3189. If it was allied with this big co-operative system, which practically has its depôts in every part of the country, and kept without any expense to the Army, would it not be possible for it, by getting these articles from the local store, to save the cost of carriage?—What I should say is, let those co-operative societies compete.

3190. Have they ever competed up to now?—Not that I am aware of.

3191. Have they any opportunity?—As far as I know of, yes; but I think they could under their constitution.

3192. Then they have no opportunity of competing now?—I cannot say.

3193. You think it is desirable that we should make it possible for them to compete?—Yes, quite so. The greater the competition the better it will be for the soldier.

3194. We are all agreed upon that?—But I want to repeat, about the Canteen and Mess Association, that I wish you to understand that I admire the Canteen and Mess Association and the object they took up; I say they have done a great deal of good; but in my opinion there is something wanting. That is all I can say. And in answer to this report of mine, which Colonel Bridge has quoted, all I would add you should see my Bulford report, which I made in the following year.

3195. (*Captain Boehmer.*) There is one question I should like to ask you. The Canteen and Mess Association started in 1894, did it not?—Yes.

3196. Is it not the fact, with your knowledge of prices in canteens, since the Canteen and Mess Association started, owing to their trying to crush the Canteen and Mess Society, the previous contractors, such as Dickesons and Lipton, so lowered the prices that it was

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practically almost impossible for the Canteen and Mess Society to live, owing to their having no capital?—Let me answer that question in this way: that if seven or eight years ago the trade had endeavoured to crush the Canteen and Mess Society, which must have been very small at that time, if these people doing an enormous trade could afford to undersell and lose to the extent of 5 per cent., or whatever it may have been, on the whole of their turnover, there might have been a want of businesslike ways, but I say that no firm could go on year after year, from 1894 to the present day, losing on a huge turnover with the one idea of crushing the Canteen and Mess Society. I have heard it mentioned over and over again.

The witness withdrew.

Major-Gen.
S. J. Nicholson,
C.B.

Major-General STUART JAMES NICHOLSON, C.B., called in and examined.

3200. (President.) You have kindly come here to give us evidence upon the canteen question?—Yes.

3201. Will you kindly give us any statement which you think will interest the Committee?—It is difficult to know exactly where to begin.

3202. Have you had a large experience of canteen management?—Not in canteen management: in fact, I have never been on a canteen committee in my life, but I have had the management or overlooking of the canteen of the battery of Horse Artillery at St. John's Wood.

3203. The subject is very large, and the Committee have other witnesses coming before it, so I think it would help us if you would say if there is any special point you would like to give evidence to the Committee upon?—I should say, in the first place, that my experience of canteens is that there are such drawbacks to canteens managed by the troops that I am absolutely against them.

3204. I think on that subject the Committee has received so much evidence upon the disadvantage of running canteens with soldiers that I do not think we need go further into that particular point?—Of course, I must point out one of the great advantages in it, and that is from the point of view of discipline, which is, of course, an immense thing; that where we have the canteen run entirely by ourselves, in our own hands, we have the discipline of the canteen, and of the men and women who go to it, absolutely in our hands. If, on the contrary, it is put into the hands of anybody else, then I would strongly advise the Committee to take the greatest possible safeguards for the maintenance of discipline.

3205. Under the tenant system, you think every precaution should be taken to secure the Commanding Officer full power over the bar tenderer and the servants of the canteen?—Yes.

3206. Is there any other point you wish to bring before the Committee?—Not as you have made up your mind, I am glad to say, upon that point. That was the great point upon which I could have given you a great deal of information.

3207. That subject has been so threshed out that I think it is hardly worth while to give more time to its consideration?—Very good. The only other point I would make with regard to the tenant canteens is that I think the tenant canteens, run as they have been with small tenants locally selected, is a very bad system. I think there are great difficulties about it, and it is immensely hard to control them in the same way that you would be able to control, as I believe, a large firm.

3208. You have greater advantages to the soldier if your canteen is run by a big firm?—Yes; and I think if you did that, and made it a *sine qua non* that they should employ old soldiers or pensioners, you would then get the greatest possible advantage to the Service out of the canteen; but I am all against small local men being allowed to tender for small local canteens. I have always seen great difficulty in that.

The witness withdrew.

Bandsman
A. Acres.

Bandsman ALBERT ACRES, 2nd Dragoon Guards, called in and examined.

3214. (President.) How much service have you had?—Six years.

3215. Are you a teetotaler?—No.

3216. Have you had a pretty general experience of your canteen?—Yes, pretty well.

3197. But has not the price been lowered considerably to the soldier by these firms?—I have got letters written by the Canteen and Mess Society in which they said that the trade were lowering their prices, and they would do the same as soon as trade was brought to them, I brought trade to them; but if they did lower their prices at the time, the trade went still lower.

3198. (Major-General Eaton.) It was the competition that lowered it?—Yes, it was healthy competition.

3199. (Colonel Bridge.) Do not you think they added a keenness to that competition by coming in?—Quite so; they have done a great deal of good.

3209. Are you in favour of soldiers having beer with their suppers?—Yes, I am certainly in favour of that. I am very largely in favour of the men being given the greatest possible facility for getting as much as they like, or want, after tea time. That is the great time to my mind when the canteen or coffee bar is of enormous advantage. I will give you an instance. I had a coffee room at St. John's Wood when I was there, and I did not run it on the Service principles, because we were allowed to do either the one or the other; I ran it on my own principles. I made that a *sine qua non* with the people into whose hands I gave it. In the first time I gave it into the hands of a man who had a good cook as a wife; then I said I did not care what they charged or how they charged it or anything about it, so long as I saw plenty of men there, but I said, "The only thing I want is that you should have it open up to half-past twelve, so that when the men come in they can get a good cup of hot coffee or soup, or anything they want"; and it had the greatest effect on the discipline of the battery—I was told so also by the police speaking of their behaviour outside—of anything I did. But it was in the evening that the coffee room was of use. The coffee rooms were generally kept open in the morning and afternoon, the men look miserable in them and did not seem to enjoy themselves somewhat to any great degree, and I did not wonder at it. But it is at that time at night that it is useful, instead of going to the public-house and getting two-penny-worth of gin, having had nothing to eat since four, they might have a good plate of soup or sausages, or something of that sort, and go to bed quite comfortable without having any drink at all.

3210. (Captain Boehmer.) Have you any knowledge of the arrangements that are made for the different institutes in regiments, such as the Soldier's Total Abstinence Society?—Yes.

3211. Is there accommodation in barracks sufficient for the Soldier's Total Abstinence Society?—My position with regard to them was rather peculiar. I never had anything to do, nor would I have anything to do with the Soldier's Total Abstinence Society. With temperance I would, and I always did my utmost for it; but total abstinence I personally do not agree with; I do not believe that really it appeals to the men. I do not believe, except in very special cases, that it does any good; but I know that the Total Abstinence Society keeps a lot of men away from temperance. I have always had to do with temperance and done my best for it.

3212. So that you do not approve really of a separate room for total abstinence men in the Service?—I could not say with certainty.

3213. They have acted very well out in India?—I have never had any experience of them, that is why I say so; I should not myself think it was necessary—it may be necessary—I do not know, but personally I have never gone in for total abstinence.

3217. Where have you been quartered lately?—I was first quartered in Canterbury, and Shorncliffe, Leeds, York, and then Aldershot.

3218. Have you had experience of canteens in all those places?—Yes.

*Bandman
A. Acres.
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3219. Can you get anything to eat in the wet canteen?—In Aldershot, that was the only one.

3220. Which canteens do you prefer—those conducted on the regimental principle, or those conducted on the tenant principle?—I think the one like the one at Aldershot, where you can get eatables in the canteen.

3221. You do not know whether it is a regimental canteen, how it is managed?—It is managed by a steward.

3222. You do not interest yourself in the question of management?—No.

3223. Have you no voice at all in the management of your canteen, have you no power of making complaints?—No.

3224. Neither you nor any of the men make complaints of anything?—I do not think they would make any complaint about it.

3225. Even if the quality of the article supplied were, in your opinion, inferior, would you not make a complaint?—Yes, certainly.

3226. Who would you make a complaint to?—I should make a complaint to the captain of the squadron—the squadron officer.

3227. And you feel quite satisfied that he would give it his attentive consideration?—I think so.

3228. Then the men are satisfied with the way the canteens are managed?—Yes.

3229. And with the way the profits are appropriated, do you know what profits are made out of your canteen?—No.

3230. Is it not published—the sales at the canteen; is it not stuck up on the wall?—Not that I know of.

3231. Are the canteens comfortable?—Yes.

3232. How could you improve them. We are sitting here to consider how the canteens can be improved for the comfort of the men, and we want to have your opinion as representing the men?—I think if they allowed the same as in the Cavalry Brigade at Aldershot they would be much more comfortable, if they were to allow eatables in the canteens.

3233. In the wet canteen?—Yes.

3234. Can you have beer at your supper?—No, only in that place; you cannot get any hot supper there; it is only brawn sandwiches, and bread and cheese; that is the only two articles there.

3235. Do you think it is possible to improve the accommodation in the canteens for the comfort of the soldiers?—I daresay they could. Yes.

3236. In what way, supposing you had it in your power, what would you do?—The tables and forms are not very clean—not up to the mark; they are very old.

3237. Not sufficiently smart and up to date?—No.

3238. Are the chairs comfortable?—They have forms.

3239. Is there no place where you can sit down and read a book or paper?—Not in any of the canteens.

3240. But you go the Regimental Institute?—Yes.

3241. Is that patronised?—Yes.

3242. And that is where the dry canteen is?—That is just by the dry canteen.

3243. Have you concerts and variety shows?—Yes; that is held in the large hall just by the canteen. The men take what they want, as much liquor as they like from the canteen, into that place.

3244. How often do you have them?—Every evening.

3245. Are they popular and well attended?—Yes, very popular and always full up.

3246. You have no temptation to go out into the town?—No.

3247. Is there anything to prevent a man sitting and listening to these concerts and drinking right through the evening?—Nothing at all unless he becomes noisy.

3248. He may drink himself provided he behaves properly?—Yes.

3249. And what is your experience; that men drink more than is good for them?—In some cases.

3250. You have been in the Army six years; is there more drinking or less drinking in the Army now than there was when you first joined?—I do not think there is so much as there used to be.

3251. You think the habit of drinking is becoming a smaller habit?—Yes.

3252. I understand that beer is not introduced into the supper room?—Not at all.

3253. Are you in favour of that yourself?—It would be a benefit, because the men would not have to go from one place to the other, and if they could get it in the supper bar they would not be enticed to stay in the canteen when they get across there.

3254. Would you recommend its being introduced into the supper room without the wishes of the men being consulted; or would you allow them to express their feelings by a vote upon the subject?—It would be best for all their votes to be taken.

3255. How do you think the votes would go? What is your opinion?—I daresay they would like the idea.

3256. You think they would like the idea; you are not very certain?—No.

3257. What place is there in the barracks where food can be got?—At the supper bar—the regimental supper bar and at the canteen.

3258. That is at the wet canteen?—Yes, at the wet canteen.

3259. There is no other place except there?—There is a small room, what they call the Church Room, in Aldershot, that is kept open until after 11 at night, and the clergyman is nearly always present there.

3260. No beer is served there?—No, not at all; but you can have hot suppers and coffee and tea. The band used generally to go there after mess playing, because we could not get anything anywhere else.

3261. Do the people use it?—Yes, they have concerts there, given by the men that visit the place.

3262. Is it cheerful?—Yes, very nice.

3263. It is an attractive place to visit?—Yes, there are all sorts of games and books of every description.

3264. Then you have no recommendation really to make on the subject of canteens, except greater cleanliness of tables and more comfortable seats?—Yes.

3265. And no other recommendation to make at all?—I think it would be much better if they could sell small kit and blue fatigue clothing.

3266. They cannot get that?—No, at one canteen we used to be able to buy it at Aldershot.

3267. (*Major-General Eaton.*) What sort of clothing?—Blue fatigue clothing.

3268. Is there any place where you can take your friends in your canteen at present?—No, not at present.

3269. Would not the men like that?—Yes.

3270. To take their sisters and friends to?—Yes.

3271. Of course, it must be conducted respectably?—Yes. They have no place at all in the canteen where they could take their friends to.

3272. If you had a friend, would you not like to be able to take him there and get a cup of tea with a nice table to sit at?—Yes.

3273. With regard to the prices, do they vary very much, in your experience, in different canteens?—No, they are all about the same.

3274. Do you think that the men are satisfied with the class of beer they get at the canteens?—In every case it is not the same.

3275. Are they, as a rule, satisfied?—Yes, I think so.

3276. What sort of price have you been paying; for instance, what do you pay for canteen beer now?—I think they get 3d. a quart, 1s. a gallon.

3277. Do you not think that the men would like better beer, and would pay a little more for it?—Yes. You can get better beer and pay more money for it in the canteen.

3278. Which do you find the men like?—They drink more beer.

3279. The cheaper beer?—Yes, they seem to like that best.

*Bandsman
A. Acres.*

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3280. Because they get more for the money?—Not for that reason.

3281. Have you lager beer in your canteen?—No.

3282. Do you not think the men would like that?—I never hear them mention it.

3283. What sort of supper do you get in your canteen?—They get beer, stout, and bitter.

3284. But I mean to eat?—In the wet canteen they only have brawn sandwiches and bread and cheese.

3285. Can you get a hot supper anywhere?—In the Regimental Institute.

3286. What do they charge you for that?—You can get as much as you like—eggs, bacon, or liver and bacon.

3287. What do they charge at the coffee bar?—They do not charge you the cost of the cooking, only the cost of the article.

3288. How much do they charge for eggs and bacon?—About 4d., eggs and bacon.

3289. (*Captain Boehmer.*) Two eggs?—Yes.

3290. (*Colonel Lambert.*) Is the band now kept separate, the band messing book, or are you mixed up in the squadrons?—Kept separate.

3291. Then you have had your band messing book in your hand?—No.

3292. You do not know what grant the band is getting in aid of their messing?—No, I know they get a certain amount, but I do not know what it is.

The witness withdrew.

*Private
A. Clark.*

Private ARTHUR CLARK, Liverpool Regiment, called in and examined.

3305. (*Major - General Eaton.*) Where are you quartered now?—At Kneller Hall.

3306. What service have you?—Two years and five months.

3307. Where was your battalion before you went to Kneller Hall?—The battalion I am in at present has been out in Africa; they were out there before the war started. I was transferred from the third battalion to the first on the disbandment of the third.

3308. Where was your battalion?—Dublin.

3309. And that is your only experience of a canteen—with your battalion in Dublin?—And Enniskillen.

3310. Was your canteen worked on the regimental system, or was it supplied by a contractor on the tenant system?—On the tenant system.

3311. Who was the tenant, do you know, who was the contractor?—I do not know.

3312. Were you satisfied with the prices charged in the canteen?—Yes.

3313. Were the men generally satisfied. Did you ever hear any complaints?—I have heard complaints from the married men. I have never heard very many complaints from the single men, but I have heard complaints from the married men as to such articles as bacon.

3314. But with regard to the selection of beer and the supplies, have you no voice in the matter, any of your men? Who chooses the beer for you, for instance?—I could not say.

3315. You know nothing about it yourself?—No, not as to who chooses the beer.

3316. But supposing you did not like the beer, what would you have done?—Made a complaint to the orderly officer.

3317. Did you ever know men to make complaints?—No.

3318. But you would not have hesitated to make complaints if you had been dissatisfied, if you did not like the things you would have complained at once?—I think they would have put up with it to a certain extent before making a complaint.

3319. Why. Was there a natural fear of making complaints?—They had a repugnance to making complaints—it was not exactly a fear, but they did not care to make them.

3293. Have you ever heard the men express the opinion that they would rather have a money grant in some other way than messing?—No, not at all.

3294. They would rather have the messing than in any other way?—Yes.

3295. Have you ever heard any objections to pots in the canteen—would they rather have glasses. Were you out in Egypt?—No, I was at Canterbury.

3296. Have you ever heard any objections to pots at all?—No, not if they are kept clean.

3297. (*Major-General Eaton.*) Are you a beer drinker yourself?—Yes.

3298. Do you think that the men are in favour of having variety shows at the canteens—amusements and entertainments?—Do you mean outside the canteen?

3299. Inside?—They have it there every night, and a different company every week.

3300. Do you think it stops drinking or not, or that it increases it?—It stops the men to a greater extent from going out into the town.

3301. Do you think they drink more beer on the nights of a show in the canteen than they do on other nights?—Yes, because not so many men would go to the show; they would not have so many men in the place.

3302. They would go out?—Yes.

3303. In fact, the shows take men to the canteen?—Yes.

3304. Then you have really no further suggestions to make?—No.

3320. Are you a beer drinker yourself?—No.

3321. A teetotaler?—Yes.

3322. Have you a separate room for teetotalers in your canteen?—Yes.

3323. Quite a separate room?—Yes.

3324. Is it decently furnished?—Yes.

3325. Is it the property of the regiment, the furniture?—Yes, I think so.

3326. Is there anything you would suggest that could improve your room?—The room I am talking of now is where the rest of the band are, that is at the depôt. It is very nicely furnished, but I have seen some rooms, I have been stationed in Dublin, and there the rooms have not been very nicely furnished.

3327. Which barracks in Dublin?—I was in Beggar's Bush last.

3328. In those huts?—Yes. The coffee bar was simply one of the tin huts there. There was nothing there except a couple of ordinary barrack room tables and forms.

3329. The accommodation was very bad?—Yes.

3330. Had you no room where you could take friends?—No.

3331. Supposing, for instance, your sister came to see you in barracks, was there no place where you could take her to?—No, there was no place worth taking her to.

3332. Naturally the men would like some room in which they could have their friends?—I should say so; I know I should.

3333. Where you could get tea and slight refreshments; you would like that?—Yes.

3334. How long have you been a teetotaler?—About three months.

3335. So that you know all about the drinking of the beer?—Yes.

3336. Have you ever heard the other men make any suggestions as to how they thought the rooms might be improved?—I have heard them say that they would like a bagatelle table; I have even heard them go as far as a billiard table.

3337. But have you ever asked the committee of officers to get a billiard table? Some regiments have

billiard tables provided by their canteen?—I never heard of that being done. I never heard of any question being asked.

3338. Can you get suppers in your regiment?—Yes.

3339. Where do you get supper?—In the grocery bar.

3340. What can you get for supper?—They have something different every night, such as eggs and bacon, and so on.

3341. What are you charged for eggs and bacon?—It runs about a penny each for the eggs, and you can get two-pennyworth of bacon.

3342. Can you get beer?—Not in the grocery bar.

3343. With your eggs and bacon, could you have a pint of beer?—No, not in Warrington. There was one station you could I was at.

3344. Did the men also have it, or not?—It was a good thing in a way, but when we came to go to the grocery bar, perhaps rather late at night, at half-past nine, the closing time, the bar there was like thronged with these men getting beer, and you could not get supper there because you could not get near the bar by reason of the chaps being round there for the beer.

3345. Then in your regiment the beer is sold at the bar in the coffee room?—It was in one station, at the Royal Barracks.

3346. As well as at the wet canteen, you could actually get beer over the bar in the coffee bar?—Yes.

3347. Could a man drink there as much as he liked?—It was not used exactly in that way. It was when the canteen closed they used to come in. The wet canteen closed promptly at half-past nine, but this place did not close so promptly, and they used to slip over there after the canteen closed to get more.

3348. It was not a limitation that you must have supper? You could get a pint of beer there without having any supper?—Yes, porter; not beer.

3349. Will you tell the Committee any suggestions which you could make for the improvement of canteens and regimental institutes—tell us quite freely—the Committee want to know exactly what the opinions of young soldiers are as to how their rooms might be improved?—I think they might be furnished better in the first place.

3350. Would you propose that the furniture should be regimental, and paid for out of the canteen profits, or paid for, say, by the country, the War Office, out of public funds? I mean, supposing they provided it from the War Office they would be permanent; one regiment would march out and another march in, and you would find your refreshment room and coffee bar and everything furnished. On the other hand, if it was regimental property you would have to carry your furniture away and take it to your next quarters. Which do you think would be most popular with the men?—I should say the country paying for it.

3351. The permanent furniture?—Yes, I should think so.

3352. Then as a teetotaler would you object to beer being introduced into the coffee bar? I do not mean in the way in which your regiment had it before. But supposing the men had supper there, would you object as a teetotaler to the next man to you having a glass of beer if he liked?—No.

3353. And you do not think teetotalers as a rule would?—No, I do not think so.

3354. How many teetotalers are there in your regiment, do you suppose?—Perhaps about one-eighth of the regiment.

3355. Then they want a good-sized room?—Oh, yes.

3356. Are you quite certain there is nothing more you would like to tell us? We really wish to know everything that comes into the head of a young soldier as to what might be done in the way of improvement. Do you think there is much treating amongst the men in the canteen?—What do you mean?

3357. One man standing another man a drink?—There is a little of that goes on, but not very much.

3358. (*Captain Boehmer.*) They generally drink out of each other's pots, do they not?—Yes, they all drink out of the same. If two or three go in together they all drink out of the same pot.

3359. (*Major-General Eaton.*) What do you think is the average amount of beer that a man drinks a day—what should you say—an old soldier?—If he is a proper beer drinker, about eight pints.

3360. Eight pints a day?—Yes, of course not every day, because he has not got the money every day.

3361. But you think if he had the money he would drink eight pints a day?—Yes, easily; that is a proper beer drinker. I do not mean to say the average old soldier.

3362. The average old soldier, what does he put away?—He might take half that.

3363. What did you as a rule drink before you were a teetotaler?—I did not use to drink very much.

3364. A couple of pints?—Yes, perhaps that, about three times a week, not every day.

3365. There is one question I have not asked you; were you yourself satisfied with the way the profits of the canteens were spent—I suppose money was given to clubs—football?—We were paying what they call recreation fund; that was stopped out of our money; and for some time after I enlisted there was no such thing as any out-door recreation at all.

3366. Do you know how the profits of your canteens were spent?—Yes, they were spent on recreation, that is, indoor recreation, and when we got to Beggar's Rush we had a very fine cricket net bought there, and cricket gear.

3367. But you could not play in the barracks at Beggar's Bush?—Yes, there is a big field behind the barracks there.

3368. You have no suggestions to make as to the spending of your profits; have you no idea at all what they amounted to?—No.

3369. Was there no report put up anywhere of the profits?—There was, I believe. I believe they did appear in Orders every month; but there was not very much notice taken of it.

3370. You were perfectly satisfied?—Yes, satisfied to be ignorant practically.

3371. But you had no voice in the matter yourselves. The men of your battalion were not consulted as to how they wished their profits spent?—No.

The witness withdrew.

Adjourned to Tuesday next at 11 o'clock.

Private
A. Clark.

3 April 1902.

SIXTH DAY.

At the War Office, Pall Mall.

Tuesday, 15th April 1902.

PRESENT:

THE EARL GREY, *President*.

Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE.
Colonel J. A. LAMBERT.

Major L. A. M. STOPFORD, D.A.A.G.
Captain H. C. BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary*.

Captain WILLIAM SIMPSON called in and examined.

Capt.
W. Simpson.
15 April 1902.

3372. (*President*.) Will you kindly tell the Committee what your record is in the army?—I enlisted in the year 1870 in the Grenadier Guards, became corporal in May 1871, sergeant in February 1872, colour-sergeant in June 1873, drill-sergeant October 1876, sergeant-major of the Royal Fusiliers in 1881, appointed quartermaster in November 1886, went to India and was there three years, 1886 to 1889. I became a captain in November 1896, retired from the army in April 1898, and am now employed as London manager of Messrs. Allsopp's and Sons, Limited.

3373. Then you have had considerable experience, as a private and as a non-commissioned officer, of the working of canteens?—That is so.

3374. I understand that you took a great interest in the Canteen Reform movement in India?—I did. When I was there as quartermaster Lord Roberts was Commander-in-Chief at the time, he was very desirous of establishing regimental institutes, and sent a form of report to be drawn out, which in the Madras Presidency was handed to me. I had the report to make and send back to the General Officer Commanding at Ootacamund, and, so far as my own regiment was concerned the forming of a regimental institute was placed entirely in my hands at Wellington near Ootacamund. We formed what I considered a very first class coffee bar, much on the same lines as coffee shops are run in London, and which turned out to be a great success. Practically it induced the men to leave a good deal of beer drinking, and turn more to feeding, at night. I may say pretty well every man in the battalion attended the institute every night and went in to supper. I managed it for some years.

3375. You were chiefly anxious to divert men from the beer canteen to the food canteen?—That is so: I think that ought to be the aim of everybody in the Army Institutes.

3376. Although in your present position as manager of Messrs. Allsopp's you are naturally anxious to promote the sale of beer?—Undoubtedly; but I think everybody in the firm of Allsopp's would be desirous of seeing the men placed in such a position that there were not inducements for them to become drunkards, but to drink in moderation.

3377. Then will you go back to your experience as a non-commissioned officer, as a member of the sergeants' mess? The Committee would be obliged to you if you would give us your views as to the way in which the sergeants' mess could be improved?—I have seen many sergeants' messes in my time. Some have been really managed in a first-rate way; others not so well. I have seen some sergeants' messes managed equally as well as any officers' mess. It depends upon the regimental supervision that is brought to bear on sergeants' messes, and the tone that pervades through the regiment. It is a very difficult matter, I know. If I were a sergeant-major I could have a sergeants' mess which, to my idea (it may not suit other people's), would be equal to probably any club round about here in the way it was managed, and the tone such that the men would feel themselves quite gentlemen. That is so in some regiments now.

3378. What regiment would you pick out as having a model sergeants' mess, from your own experience?—

If you went to the 3rd Coldstream Guards, at the present moment at Chelsea, you would find a very good tone existing there, although that is a new battalion.

3379. And that sergeants' mess is conducted with absolute honesty in the interests of the men?—I cannot tell you more than that; it is only from repute that I know of this particular mess at the present moment, and from my observation of the non-commissioned officers and their general tone; but I have heard of the way they manage matters.

3380. Do you know how they manage them—what is the principle of management?—The principle of management, I take it, is in accordance with the King's Regulations.

3381. A new sergeant comes into office every month?—As the caterer, do you mean?

3382. Yes?—That would be so, I think. I could not answer with regard to that.

3383. That is according to the King's Regulations. According to your experience is it a wise regulation to shift your caterer every month?—No. If I was asked to go into the question of providing for the management of the sergeants' mess I should be inclined to put in an old non-commissioned officer as a permanent caterer.

3384. Is it not the case that there is a great temptation to a man, in the position of caterer for one month, to make a little for himself?—Undoubtedly.

3385. And you ought not to put men in that position of temptation?—I do not think that applies to everybody—because I will not say that it is absolutely general.

3386. It is very common?—It is common, there is no doubt about it; but I should not like to stamp everybody with it.

3387. I do not ask you to do that; I only meant that it is a practice which is not unusual?—That is so. Then, on the other hand, the man has to be very cautious of losses; he has to keep his eyes pretty well open, and occasionally they make all they can to provide against these losses.

3388. (*Colonel Lambert*.) You were three years in India?—Yes.

3389. At Wellington?—Yes.

3390. Could you suggest, with your knowledge, any of the points (I, too, have interested myself in India) in the management of the regimental institute as known in India which could be amalgamated with our system at home here now? Did any particular point ever strike you? Take the question which I suppose this obtained in the institute you were interested in—beer with the men's suppers?—Yes, we made it a point that beer should be provided in the refreshment department for the men to have with their suppers, and the result was that we sold nearly as much beer in the coffee bar as we did in the other parts; the men really forsook the other parts that they might come and get food and beer there at the same time.

3391. Then you did not limit the beer served in the coffee bar?—They were not allowed to sit down and drink beer alone in the coffee bar; they must have food with it.

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3392. So that as long as the man had his food he could have his beer?—Yes.

3393. There was no limit?—None whatever.

3394. Do you think it would be practicable here—you have had immense experience?—Undoubtedly.

3395. Referring to the question Lord Grey asked you about the sergeants' messes, you admitted that the system was unsatisfactory, as we all know in many cases. Is there any means that you know of, or did you ever think out any means, to avoid this risk of temptation to certain men; could we invent any way of preventing it?—I do not see how you could. I should never be at all disposed to, what I call, place the tar-brush over every sergeant in the sergeants' mess just on account of some other person who might not be quite honest.

3396. Do you think there would be any objection to carrying on the sergeants' mess the same as your's and any mess may be carried on, by having no money, no cash at all; there would be no reflection in that?—I have seen it tried. I am sorry to say it was not really a success; but I cannot see any objection to doing that.

3397. Do you know why it was not a success?—That I cannot say; this was a good many years ago, and, at that time the sergeants were rather conservative; they did not care for innovations.

3398. It was not popular?—No.

3399. In your experience in the Service, and also in your present position, you would probably be able to give the Committee some interesting evidence as to some of the profits that are made in the retailing of beer; I do not mean the profits made by the Company you represent, but after it has passed out of your hands. I am sure it would be interesting to the Committee, because it would enable them to arrive at what they really are?—That brings me to a point that has been running through my mind for some time past, with reference to these profits on beer, that is, that there has been a tendency of late years to supply the men with what they call a cheap ale at 3d. a pot. I do not know whether I may mention the question of qualities in it.

3400. (President.) 3d. a quart?—Yes, 3d. a pot. With this 3d. a pot there has been no real practical benefit to the men, but on the other hand it has induced them to drink more beer than they would do and for this reason. If you do not fix your prices in the canteen as near as possible to even money prices, say 4d. and 6d., when a man goes to the canteen he does not want more than half a pint to drink, but he knows if he asks for half a pint of beer they will charge him a penny, or give him a box of matches which he does not want. The result is, he thinks, "I will not be done like that—I will have a pint of beer"; and he drinks a pint whereas half a pint would have suited him. There is a case where you get unaccountable profits. Another case where you get unaccountable profits is, of course, the question of short measure, when a quick draught of ale is used; to put it in the common phrase, what the men in the Brigade of Guards call a coldstreamer, that is, a white band at the top; and extra profit must come in there. But I may say that the men are getting pretty shrewd, especially the young soldier, now-a-days to see that they get their full measure.

3401. Does not a man as a rule like beer with a good top on it?—Not too much top; there is a medium in all things.

3402. But a glass of beer without any froth on the top is not so palatable?—Quite so. That is where the publican outside makes a good deal of his profit; the public do not object to it—the people who drink a better class of ale in glasses are willing to pay for a good class of beer and do not object to the shorter measure. I do not think the profits are so great on short measure as one would be led to expect. You force the men to drink more beer, by not fixing your price at round numbers. And then, on the other hand, you force the brewer to provide cheap beer, with what result? We know perfectly well what the constituents of this cheap beer that you are getting in a great many instances are: quite 50 per cent. of it is sugar. The Army authorities would be very wise if they set to work and insisted that pure beer should be supplied to the men, and not force down low retail prices, which are a temptation for a man to turn a drunkard—

to drink what is commonly called in the Army, by the men in the ranks, "swipes." If you insisted upon the constituents of the beer being at least 75 per cent. brewed from barley, then you would not have half the drunkenness in the Army that you have at the present moment.

3403. (Colonel Bridge.) Is it possible to test it?—Yes, quite easy; you can get a chemist to test it.

3404. (President.) Have you ever known of any case where the beer supplied to the canteen has been tested in the way you suggest?—I have not, except what you call superficially; I have never known the beer tested thoroughly by a competent chemist.

3405. The usual practice is for the non-commissioned officers and men to form a tasting committee, and for the Commanding Officer to select that beer; and the taste of the men is the only precaution taken by the Commanding Officer, as a rule. Is that so?—That is so; but then that is very misleading. It is all very well to start with, but then consider the standard of beer—is that standard of beer maintained?—which is the all-important question. I know perfectly well it is not.

3406. And how can it be maintained?—Easily; by testing samples at different times and insisting upon the standard being maintained. But I may say the Army authorities have brought irregularities about themselves, by insisting upon brewers supplying a cheap beer.

3407. (Colonel Lambert.) What do you call cheap beer, per 36 gallons?—I call a cheap beer these prices you are demanding now—20s. 6d., 23s., and 24s. It is absolutely impossible for the people who are catering to provide good beer at that price.

3408. (Colonel Bridge.) You think a good 3-ale, as the men call it, cannot be procured at that price?—I am sure it cannot.

3409. That beer to be retailed at 3d. must be an inferior beer?—Yes, if you are making a profit of 15s. per barrel to the canteen fund.

3410. (Colonel Lambert.) A regimental officer in a regimentally-conducted canteen who happened to know how to use the tests for gravity could, of course, check it?—The gravity test is entirely misleading. You can get gravity tests with 50 per cent. of sugar just as easily as with 85 per cent. of barley.

3411. So that, so far as quality is concerned, it is a waste of time?—That is so, so far as gravity is concerned.

3412. Can you assist the Committee at all in another matter which we want to know particularly? We know that there are very large profits made on the retailing of drink, and you have told us of one—the beer with a head to it. What are some of the other things that they make their large profits out of in the retailing of it?—I do not know any other, except what I should call absolute dishonesty—of a man watering the beer. I do not know any other way of doing it.

3413. Is there anything made out of the waste?—None, except that the brewer undertakes to take the waste back again and provide good for it.

3414. So that you can suggest nothing for the amelioration of the conditions under which the caterer supplies drink in the sergeants' mess, and you say that your experience was that it was not a success working it the same as in your or any mess?—It was not a success. They rather objected to it.

3415. (Major-General Eaton.) You have had experience of the regimental system and tenant system of canteens?—Yes, both.

3416. Will you tell us which you would think the best, from your experience of the working of the two?—I should say from the outset the tenant canteens are the best, but not quite on the principles that you have them at present—that is to say, as run by these large firms. I think that the system of the Public House Trust Association could be made applicable to the regimental institute.

3417. (President.) Both dry and wet?—Both dry and wet. Each regimental institute ought to be on its own bottom, with a pensioner-manager, with a staff of local inspecting accountants and gaugers, who could get out sheets similar to what I produce here with reference to some houses within a very close distance (*handing in some papers*). I have always thought that

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the accounts of the Army have been much too complicated. This is a sheet that I hand in quite confidentially (*handing in same*), of two houses within a very short distance of this place. That is a system of getting out the accounts of the public house by a firm of accountants and gaugers, which only costs the tenant 1l. for the gauging and 1l. for the accountant to make out. You get out your percentage of profits on the left there, which is the all important thing. If the canteen were being run by a pensioner-manager who should be trusted, and who ought to be trusted, and he were supervised in the way I have mentioned, and his accounts taken out on a special day, I think it would be a great improvement. I know at the present moment some large firms in London who run public-houses on these lines most successfully. Their method of doing business is, that they do not say, on the 28th we shall come and take your stock; they arrange at the office in the morning to go to a public-house at 11 o'clock that night and check the stock of that place. They take the gauger and accountant down, spend two or three hours there to find whether the percentage of profits is coming out in accordance with what the house should do. If not the manager, of course, is brought to book promptly, and if he cannot give an explanation, or things are not thought to be satisfactory, out goes that manager and in comes another. And as that firm manages their houses, so the refreshment rooms and canteens in the Army could be managed in the same way.

3418. (*Major-General Eaton.*) This sheet which I have shows a profit of over 40 per cent.—I can easily explain to you why the profits are different in the two sheets.

3419. (*President.*) On the balance sheet which you have submitted to me there is a profit of 385l. The percentage, you say, of gross profit is 69·6 on the cost and 41 per cent. on the takings?—Yes. Yours is much higher than General Eaton's.

3420. (*Major-General Eaton.*) On mine it is 41 per cent.—On the takings, yes.

3421. And 85l. per cent on the cost?—There is a case that might strike you as irregular.

3422. (*President.*) Will you just explain those figures?—Why is the percentage of profits greater in that case? It is because it is a wine and spirit house, and the other is a beer-house; you have to get to know the houses to see what they do before you can arrive at what the percentage of profits ought to be. There is always a greater profit on wines and spirits than on beer.

3423. (*Major-General Eaton.*) But this does not quite show that. Where does that show the profit on the beer (*handing the balance sheet to the witness*)?—It does not show the absolute profit on the beer; it is taken with the wines and spirits together on that sheet.

3424. The cost of spirits, wines, and beer there is how much?—The cost is 299l.

3425. And the money received?—The money received is *this side (pointing out the same)*. That was the stock in hand, and that is the purchase of wines and spirits; those two added together bring out the stock received for the month, and that is the takings *here*. You get the percentage of profits between those two items.

3426. Do you imagine that the canteen makes equivalent profit to this, roughly speaking?—That is rather a curious question to answer, for the reason that it just depends upon what conditions the canteens are run, whether the food and beer are run together or are kept separate.

3427. Supposing that the wet canteens are run by a tenant, do you imagine that he ought to make a profit almost equivalent to this?—No, he would not make so much profit as they do there, because the measures and everything are quite different in a public-house; the glasses for instance. I do not suppose you can take a public-house in London where the measures are Imperial, therefore it would vary a great deal with reference to that. They will not make that percentage of profits in a canteen; if they made 30 per cent. with the eatables taken they would do wonderfully well. We have a number of restaurants and so forth, where I could get you out the sheets and show you the profits on those places, which are well managed.

3428. I take it that you would be in favour of local organisations to run canteens under the tenant system?—I do not quite say local organisations, but I think

that you could run it from one centre, with supervising local organisations, quite apart from the military.

3429. Do you think that a large central organisation worked by a military committee, with expert buyers under the War Office authority, would work satisfactorily?—No, I do not.

3430. For what reason?—Because I do not see how you would get on with the supply of provisions and perishable articles from a central authority. There was always a difficulty with regard to canteens and coffee shops in different stations—the supply of these perishable articles, such as milk, bread, &c., that has to be brought in, and vegetables, which are all-important as regards the men's messing, which you really would not be able to manage from a central authority, and which would be much better done locally. There are some things that you could manage from a central authority I am quite ready to admit—staple articles of food, like sugar, coffee, cheese, and tea—those are the only things I can think of at the present moment that might be managed from a central authority.

3431. (*Captain Boehmer.*) And bacon, ham, eggs?—No, not for bacon, ham, and eggs, because if I was serving in Liverpool I could get bacon cheaper there than you could supply me with from London.

3432. (*Major-General Eaton.*) Do you think improvements might be made in the rooms for the men in the institutes?—Yes, that has always been my point, that the places which the men have to go into are, I consider, positively disgraceful at times: you force them to go into the canteen and drink beer and spit about on sawdust without trying to elevate them in any way. That is one thing we endeavoured to do in India, to make the place as comfortable as possible. We went to the expense of buying billiard tables and got up billiard handicaps in the coffee shop at night, and tried to raise the tone all round; and I may say with very satisfactory results. I think the sooner the authorities make a point of making the place worth a man's while to go into, the better it will be for all concerned. And above all things, you want to induce the young soldier from his first day to go into what I call a decent place—something after the style of the A. B. C. or Lyons' places, and not leave only one portal for him—a place with nothing but sawdust and short pipes.

3433. (*President.*) Do you think on that point that the soldiers would resent losing a portion of the profits that come out of their canteens, and are paid to them for games and other purposes, by making the receipts on the canteens security for raising money to build better premises, if the money could not be secured from another source?—I do not think the soldier would resent it in any way or shape; but it would require a starting point. You require some capital to start with.

3434. We will assume that your canteens are bringing you in a revenue of 500l. a year. I am not taking a particular case, but just for the purpose of following out my argument. Supposing that you were to raise 5,000l. at 5 per cent., that would take up, at 5 per cent., 250l. out of the 500l. With that 5,000l. you would be able to supply them with all sorts of accommodation, which, in your opinion, is essential for the comfort and proper living of the soldier, and which he does not now have. Would he not rather have that better accommodation than have his profits frittered away in little things that leave no results?—That is rather a difficult point to answer straight on end without some little consideration; but my own experience is that the men do not bother very much about the profits in the canteen; if they have got comfort they do not care much where it comes from. The men who are at present serving might raise some objection to your suggestion.

3435. But at any rate, in your opinion, the accommodation for the comfort of the soldiers in modern barracks is insufficient?—I should go further than that. I say it is absolutely disgraceful in some instances.

3436. It is a scandal to the Army?—Yes.

3437. And to the nation?—Yes, it is; that is my opinion.

3438. Then I am only suggesting a way in which it might be possible to raise money, if you cannot get money out of the Treasury for that purpose?—Yes, I do not think there would be any difficulty in raising money for that purpose, but I should raise it at a very much lower rate than 5 per cent.

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3439. I quite agree with you?—I would raise it at 3 per cent. for that purpose on loan.

3440. I was only using 5 per cent. from the point of having a balance to pay off—a capital redemption fund to pay off the loan?—Yes.

3441. In the interest of the soldier that is the first purpose to which you would apply the profits?—Yes.

3442. To remove what you describe in strong terms as a disgrace to the nation?—It would be the first purpose. I would not say the 250l. should have the first call on it, but it should be taken *pro rata* with the rest of the benefits. I would not say that you should go to the canteens and say—we are going to put this place in order, and you have to pay us 250l. on end.

3443. You think it would be possible to finance the money required for improving the accommodation for the soldier without affecting him injuriously in other directions?—Yes, I do think so.

3444. Is there a single barracks that you are acquainted with which has accommodation up to the standard of your ideals?—I know of none.

3445. Have you been to Canterbury?—I have been to Canterbury, but only to the officers' mess there.

3446. Have you never visited the canteen?—I have never visited the canteen. I ought to have gone to see the Army Service Corps Canteen when I was there the other day refereeing the Army Cup Final Tie, but unfortunately I missed the opportunity. I did unfortunately go into one canteen, which shall be nameless, during the half-time of the match, and of all the bear gardens I ever saw in my life it was the worst; the drunkenness going on was positively disgraceful. There were these men standing 20 or 30 deep clamouring for beer—they ostensibly went to see the football match; but when it was over I saw men being carried away to their barracks.

3447. Who is responsible for that?—I could not say; I know who I should make responsible under my scheme.

3448. Who?—The manager of the institution. If he could not conduct the institution on proper lines, and keep these men from getting drunk, he should not be worthy of his place. If a publican in London allows a man to get drunk on his premises he is run in—and quite rightly so. I think the managers of canteens ought to be expected to do the same thing. But they do not; they have got no idea but that of handing food, &c. over the bar.

3449. Have you had any experience of canteens run by the Canteen and Mess Association?—Of one. I was Camp Adjutant at Bisley last year, and the Canteen and Mess Association ran the canteen there. I have nothing to say against the way the canteen was managed by them, or of the quality of the goods they supplied, except this: I thought I would have a look round in the interest of the soldier to see how things were going. I asked if they would show me the bread on sale. There was not a loaf of bread that was not more than 2 ozs. under weight. They tried to make me believe that it would not come near the mark. Then I went into the question of the way loaves were cut over the counter for the men to buy. I found that instead of dividing them into four half-penny worths, five. I said, "Why is this?" They said, "The men do 'not want more than that.'" I said, "Where is 'the extra profit going to?'" There is a case where, if the man behind the counter was dishonest, he did not put the profits into the box; he would be making something against the soldier. Then I went into the beer question—the 3d. a pot question—and found that they were charging 1d. a glass; that meant that the men were paying more for beer than they ought to. It was simply brought about by the 3d. a pot.

3450. A penny a glass or 3d. a pot; that is, four glasses to the pot?—Four half-pints.

3451. Penny a half-pint and 3d. a quart?—Yes, that is the point; the soldier does not gain, and you force them to drink cheap inferior beer.

3452. You would charge 4d. a quart?—Yes, and give a better glass of ale too.

3453. (Colonel Bridge.) Do you know what the net cost price of the 3-ale is; what does the brewer supply it at?—All I know is that my own firm, who keep up the standard of their beers, will not under any circumstances come down to the Army prices of 20s. 6d., 24s., and 25s. except with a big turnover.

3454. That is the price of the 3-ale?—Yes, and bitter.

3455. (Captain Boshmer.) Referring back to the regimental institutes in India, right throughout India they are run on the regimental system; there is no such thing as the tenant system?—At that time; that was some years back, of course.

3456. Can you remember in this large coffee shop that you had where the men had suppers, what was the percentage of profits on the cost in the coffee shop?—That would be too far back for me to keep in mind.

3457. Can you remember how many cups of tea sold at half-an-anna were made out of a pound of tea?—No, I could not tell you that; although, to make the thing a success, I used to go and stand behind the bar at night myself. But you can make as many cups of tea as you like out of it. If Tommy Atkins is not capable of looking after his tea being badly watered by the sergeant, he ought to be—he is pretty cute in those things.

3458. (President.) Referring to that instance of over-selling, selling under weight that you mentioned in the case of the Canteen and Mess Society, that did not suggest to you that the principle of management was wrong, but that there was a dishonest manager in that particular instance?—Yes, I looked upon it that this manager was expected to make a pretty good profit, and that was one of his means to the end.

3459. I understand the Canteen and Mess Society gives everything back to the soldier after 5 per cent.?—This canteen was not run on those lines. They paid so much for the canteen for a period—a lump sum.

3460. Supposing you had a system which secured to the soldier all the profits after a small percentage, say, 4 per cent, had been paid on the capital invested in the undertaking, it would not be anybody's interest to sell under weight?—I do not quite follow you.

3461. You say that here, you think, it was in the interest of the management that the man in charge of this canteen should push the sales as much as possible?—Yes.

3462. With a view of pushing the sales he used the dishonest method of selling under weight?—It was due to the local baker that short weight was given, not the Canteen and Mess Society, although they ought to have ensured proper weight.

3463. If you had established an organisation which would secure all the profits realised by the organisation going to the soldier after a small initial dividend had been paid on the share capital, it could not be to the interest of the management to push the sales unduly?—No; but I think that is a very high ideal.

3464. That is a high ideal, but take the co-operative stores; an individual manager in a co-operative society has no interest in selling under weight?—Which stores are you talking of now?

3465. I am talking of the Workmen's Co-operative Stores. Unless he is a dishonest man, all the profits realised by his society go back to the members who use it?—Yes; but I may say in a good many of these co-operative societies the managers of the different departments get commissions on the sales.

3466. From whom?—From the societies themselves; they get a bonus, according to the trade done, at the end of the year; so that it is their interest to sell as much as they possibly can. I do not say that operates in every society. And then, on the other hand, if a man does not maintain his sales, if the sales drop in that particular department, they begin to think whether this man is worth keeping or not. So it is very difficult to say that you could insure that all the profits in any case should go to a particular object.

3467. But if a man is put in charge of a canteen, and all the profits go to the tenant, the probability is that there is a greater inducement to use dishonest methods for the purpose of increasing profits than there would be in the case of an organisation which gives the whole of the profit back to the soldier?—That I rather am inclined to believe. In that particular canteen I should be inclined to think that, in addition to trying to pay a good percentage of profits, the man was trying to insure a little for himself out of it. That is the tendency in the public-houses now, and people take stringent measures with their managers. They get out sheets from time to time, and they know pretty near the mark what the house should do for profits, and if he does not maintain that, they think he has

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either put the money into his pocket or been neglecting his duties.

3468. In your wide experience have you come across men offering commissions and bribes to bar tenderers and managers, and to salesmen for the supply of goods?—That seems to be a system that is inculcated throughout all trading.

3469. In all trading there is that dishonesty going through it?—It does not matter where it is. If you are selling lace from Nottingham, I will guarantee that you find a difficulty to sell any lace, unless you give commission indirectly—probably you give the man something who has to buy it. I will not say it is absolutely general, but it is so in all trading throughout England more or less the same. I do not care whether you are selling lace, potatoes, or what it is; it is a system that has eaten into the vitals of all the trading in England.

3470. Corruption is going right through to the whole of our trade?—Yes, it is.

3471. And until we get a law making it criminal to offer a bribe I do not suppose you will stop that practice?—No; if it is for selling boots, ginger beer, or whatever it is, the traveller going round has to do the same thing.

3472. Then until we get a law that makes it risky for a man to offer a bribe or commission to the servant of another man you cannot ensure honest management of canteens, dry or wet, in the Army or outside of it?—Until the grand millenium arrives. You may get an illustration in lots of things, even the people who are retailing. Suppose it is ginger beer over a counter in a shop; unless the man himself gets something, he will promptly damn your ginger beer and try to get somebody else's in.

3473. (Major-General Eaton.) Just one more question. I do not want to know the name of the regiment or of the canteen which you said was so discreditable, but can you tell me whether that was worked under the regimental system or the tenant system?—I am afraid I cannot; I did not go into that.

3474. The only point I want to know is whether you thought the same discipline is maintained in a canteen under the tenant system as there is under the old regimental system by the non-commissioned officers?—I cannot say that I have ever experienced any great difference in that. When you consider that you have the canteen orderly for the preservation of discipline in the canteen, it depends upon what sort of regiment it is and what sort of discipline exists in it; it just depends upon who is the non-commissioned officer on duty.

3475. It virtually depends upon the Commanding Officer?—Yes, it does, in the way the thing is supervised and the tone of the regiment.

3476. (President.) Do you think it is a common practice for wholesale firms to bribe managers to sell the goods they supply?—Yes.

3477. And to discredit goods coming from competing firms?—Yes, right away through England, more especially with foreign traders.

3478. So that very good things may be supplied to your manager, and if your manager has been bribed by a competing firm he will come to the committee and say he cannot do anything with it, it is a bad article?—That operates, I am sorry to say, throughout the whole of England.

3479. Do you think the Bill introduced by the Lord Chancellor last year would stop it?—I cannot say it would stop it absolutely, but it would go a long way towards it. It would be a very difficult thing to stop.

3480. From top to bottom?—Yes, even a stockbroker, if he wants a customer introduced, does not get him

The witness withdrew.

until he has said, "You are sure to have so much out of this."

3481. Then it is the most pressing reform required to-day in your opinion?—I wish to-morrow it could be made to operate.

3482. One other question about your business. Do you supply beer to canteens?—Only one.

3483. Which is that?—The Royal Horse Guards Blue. The men will drink no other beer; they absolutely refuse to drink other beer. Some question arose some time ago about changing the beer, and there was a tremendous to-do about it, and my traveller went down to investigate the why and wherefore. I may say that in this regiment no person gets one penny beyond the trade discount credited on the bills.

3484. What beer do you supply?—We supply various classes of beer from 60s. ale downwards—that is India pale ale.

3485. Do you supply lager beer?—I do not think they have any lager there. We are trying to get them to take lager in the canteens. I wish the soldiers would all drink lager, you would not have so many drunken men about then.

3486. If I am not asking you a trade secret, is it cheaper to brew lager beer?—No, it is much more expensive; there is very little profit out of lager beer.

3487. If the consumption was in larger quantities could you not brew it as cheaply as you brew other beer?—Yes, if the turnover was good. I ought to have said, when I was talking about taking certain supplies for canteens from a central supply association, that you could easily work the beer on the same terms, provided that the brewer had a local man to deal with matters on the spot; but it would be a very difficult matter to ask any firm to undertake who had not local agents to deal with it, because there are all sorts of things which require attention with regard to it; and somebody on the spot to deal with them.

3488. Is there any other suggestion that you would like to offer to the committee?—There is a question which I have often thought over with regard to keeping a separate place for the sale of beer. Speaking for myself I should like to see the canteen run on something like these lines: I would call it an institute and not a canteen, and it should be one of the best fitted up places that you could find anywhere in any town; where the beer should be sold in conjunction with the food; but the manager should be made to supervise the consumption of that beer, so as not to allow men to sit about and become sots in the place. What we specially want is that the officers, or more especially the non-commissioned officers should, when a young recruit joins, put the matter before him in a sensible light, and explain to the man the fact that his becoming a drunkard means ruin to him—that it can only have one ending. There is no doubt that Commanding Officers could do a great deal in that way. There is a tendency at those canteens which are run on the tenant system at the present time to make the beer pay for the groceries; that has been the tendency for a long time past, and to my mind is very objectionable; that is to say, the prices are cut down to the very lowest possible figure so far as groceries are concerned, and they try to make the profit by squeezing the brewer for an extra discount and other allowances; they try to make the beer pay for the whole show, which is wrong. I think that the War Office should insist upon the soldier having the best beer that can be brewed, and sold to him on a fair but not excessive margin of profit.

3489. You have not given the Committee any suggestion as to how the War Office could secure the best beer that is brewed being supplied to the soldier?—I should say that the security would be by insisting on the ingredients being at least 75 per cent. of barley.

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Mr. JOSHUA McMILLEN called in and examined.

3491. (President.) You represent, I think, the Army and Navy Co-operative Society?—I do.

3492. Does the Army and Navy Co-operative Society supply Army canteens?—They do to some extent; not to a great extent.

3493. Is your business increasing with them?—We have taken the canteen line of the business up more

actively of late, giving close attention to it; we have opened a branch now specially to pay attention to it.

3494. Do you find any difficulties in getting your goods taken in canteens?—We do.

3495. What sort of difficulties do you meet with?—We find on comparing price lists, and having confidence in the quality of our goods, that very often prices that

range higher than ours will get in, and we know by seeing samples—samples being submitted to us—that we would come out on the top as regards quality. We are confident of that—yet we do not seem to get a fair proportion of the canteen trade.

3496. Do you suppose it is the interest of the buyer to take his goods from other places?—Yes, we believe that they are interested; that there are some people who are interested in keeping certain firms forward.

3497. That is to say that they receive commissions on sales?—That they receive commissions on sales. We do not, of course, blink the fact in our knowledge of business details for a moment, that a lump sum down to get in, and 5 per cent. to keep in, are the roots of the canteen difficulties.

3498. A lump sum down to get in and 5 per cent. to keep in—paid to whom?—It may be to a committee-man, a subordinate non-commissioned officer—it may be the canteen steward—it may be some non-commissioned officer of high rank, who is accountant.

3499. Still somebody who is in authority has to receive this bribe in order for the firm tendering to get the custom?—In order to secure their getting the custom.

3500. We have just had a witness here who told us, that in his experience, which is a very wide one, this system of commission-taking is universal from top to bottom of English trade?—It is so.

3501. And you, oddly enough, come just after him to confirm his evidence?—We have no doubt about it; it is recognised by all our officials in authority; it is a matter that we do not, of course, discuss much, because it is a delicate matter to discuss.

3502. But still it is recognised by all business men that the practise exists, and exists universally?—The practice exists universally, and it exists very extensively in the canteen business.

3503. There is a good deal of corruption you would say in the canteen management?—I would say so. We find that unreasonable complaints and objections are raised to our goods, and although we meet them in a very fair and liberal spirit we find it still continues, and we feel unable to give satisfaction. There is some reason why we do not seem to give satisfaction. We have confidence in our goods, and we are prepared to compare our prices with any others, and yet there seems to be a spirit of dissatisfaction.

3504. And your contention would be that as you have not made it worth the while of the manager to sell your goods, he will deteriorate them and damage them, and then bring the damaged articles before the notice of his committee?—That he would take every opportunity to unfairly represent us in the view of the higher authority, the Commanding Officer or the committee.

3505. So that in order to keep your position you say it is recognised that after you have paid a lump sum down to get the business you have to pay 5 per cent. on the turnover in order to keep the business?—But we will not do that; we take a firm stand on that. I have a letter of agreement on entering the firm's employment that I would strictly observe their rules in that matter—that not a fraction would pass in that way.

3506. But because you do not conform to what is apparently, from your evidence, the general custom, you lose the trade in canteens?—Everything tends to give us that view.

3507. Do you think that the Bill introduced into Parliament last year by the Lord Chancellor, making it illegal for a man to offer a bribe, and exposing him to the risk of being imprisoned if he is found guilty of that offence, would stop the practice?—We were all looking forward with hope to that Bill passing; we recognised it as the best move to put every person on a right footing.

3508. You think that it would help to secure honest dealing in trade affairs?—I believe it would, because there would be a fear of social ruin and disgrace in front of a man. At present there is nothing to deter him.

3509. And you are of opinion that if that Bill were passed the difficulty of running canteens on honest lines would be very much reduced?—Yes, I feel sure it would, because a man would be facing ruin and

disgrace, instead of its being, as it often is, smiled at now.

3510. It is condoned now?—Yes, it is condoned in a great measure.

3511. As being the common practice?—Yes.

3512. (*Captain Boehmer.*) Apart from your employment in the Army and Navy Stores, you have been in the Service yourself, have you not?—I was in the Service.

3513. In what rank?—I was for 10 years a warrant officer.

3514. In what regiment?—In the East Surrey Regiment, formerly the 31st Regiment.

3515. Did you serve out in India with them or at home?—At home.

3516. Was the canteen worked on the regimental system or on the tenant system?—On the regimental system.

3517. You say as the representative of the Army and Navy Stores that you have tried to get canteens on the tenant system now in your business?—We are prepared to entertain the canteen business either on the tenant system or by supplying the committee direct.

3518. Were you sergeant-major as warrant officer?—Yes.

3519. Then as sergeant-major for ten years, having great experience of the regimental system, and having also your experience now in trying to get the tenant system, which do you, as a sergeant-major, think the best for the soldier?—The tenant system, decidedly. I am very clear on that.

3520. Do you think that the soldier gets better value for his money under the tenant system?—I look at it more from the Service point of view, because it releases many people from the numerous duties connected with the canteens; it saves worry to the officers and people who are not experienced in the business. Very often the canteen accounts are kept and the canteen business is arranged by people who, however excellent in other respects, have no business experience, and things are done in a very hap-hazard sort of way. For instance, if you take the margin of profit fixed on the first cost of goods. People fix the profit who have had no training or experience in trade percentages and have no knowledge of dissecting a business account or working out percentages, so that they simply, in a hap-hazard way, clap on a good profit, so as to be on the sure side; then they come out with a big balance and everybody is satisfied and thinks the thing is working well and is well conducted.

3521. Have you in your experience in trying to get business in a canteen been asked directly by one of the many subordinates to give a certain amount down and so much percentage to induce them to give you the trade?—No, we never approach the subordinates; we never approach anyone in negotiating canteen business under the rank of an officer, and we very seldom approach anyone personally unless we are requested to give an interview. When we feel that there is an opening to place the society before the Officers' Committee, we write; then, if it leads to an interview, we see the officers, but under no circumstances would we approach, or even discuss the matter with a subordinate, except where there might be a complaint of quality, when we would take note of what he said.

3522. (*Colonel Bridge.*) You were speaking of these bribes that are given in the shape of a sum down and 5 per cent.; have you ever been in a position to run to earth any of these cases, if you had wished to do so?—No, because although one may know that it exists, and may have seen it, so that one may have sufficient evidence to satisfy one's own conscience, the thing is always done so carefully and so guardedly that one would not be able to prove it in a Court of law.

3523. You might in fact only burn your fingers?—Yes, you might run yourself into dangers and difficulties without any result.

3524. But you have no hesitation whatever in saying that the system does exist at this moment?—None whatever. I have been directly approached, not by military canteen managers, but I remember on one

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occasion being approached directly by a naval canteen manager.

3525. (*President.*) With a request?—Yes, with a plain request.

3526. What was the character of the request?—That he should be considered. I knew of course that the man had no influence whatever in securing the business for the Army and Navy Stores, because it was all done through the officers, but he came forward and represented that he had.

3527. You mean to say that cases have come within your experience where officers have refused articles offered to them of a superior quality and at a lower price than the articles they have contracted to buy from other quarters?—We have sampled the articles, and it has been the decision of our managers of the department concerned that the articles were not up to our standard, and that the price was equal to ours.

3528. And what was the conclusion left upon your mind?—That there was something in it that did not meet the eye—that there was more in it than came out.

3529. That is to say, that the officers were interested?—I do not think the officers; we regard the officers as above suspicion in the matter.

3530. I do not know why you should say so, because you say you deal with the officers; the officers have to consider the tenders that you put in, and they are responsible for the decision that is arrived at?—The officers are influenced a good deal by what the old steward or committee-man will say.

3531. They refer the whole matter to the committee, and as a rule they accept the advice of that committee?—As a rule they are influenced by the subordinates; only when an officer is determined to put his foot down and have things straight, then we come out top. I can give you an instance of that. Colonel Gascoyne of the Guards said he was sure there was something in his canteen system that was rotten, but he could not thresh it out, so he asked if we would assist him, and we said we would. The manager of our No. 1 Department went down and inspected the goods, and did not give at all a good report as to their quality. Colonel Gascoyne then handed the matter over to the Stores; he managed it on the regimental system, but he asked us to send him a man and they would pay him. We sent a man, and while Colonel Gascoyne was in command the married people all came back to deal with the canteen, everything went satisfactorily, they had good balances, and everyone was satisfied. Directly Colonel Gascoyne was removed to some other command, the Army and Navy Co-operative Society were dispensed with, and the canteen was handed over to someone else.

3532. The cause in your opinion was the slackness of the Officer Commanding, or the officer in charge of the canteen, was it?—I would not like to give too decided an opinion upon that; we know that subordinates do represent things and place matters before the Commanding Officer in such a way as to influence him.

3533. I ought to have said that where you have a vigorous Commanding Officer who looks into things himself, you generally come out top and get the orders?—We stand well.

3534. But where you have not that same vigour, you do not stand so good a chance?—We do not.

3535. Is there anything further that you wish to say on any particular point I see you have some notes?—I have just written down a few notes.

3536. Will you please let the Committee have the benefit of them?—The Society does not supply many canteens, because lowness of prices is one of the main factors that weigh in the consideration of tenders for supplies, and quality as a rule is the last consideration, if it is considered at all. The Society will not cut away at quality in order to tender the lowest prices in a cutting competition; neither will it tolerate illicit commissions or practices. The quality of goods generally supplied to canteens is of the very lowest standard that can possibly get through (many of the goods being specially manufactured for canteens), and would not command sale in third-class grocers' shops. The proof of this is that the wives of non-commissioned officers and privates seldom make their purchases in

the canteen, if they can help it; witness the procession of tradesmen's carts into barracks to supply them. Once upon a time this was said to be due to the credit given by tradesmen, so in some cases canteens offered the same terms of credit as the tradesmen, but without effect; the people wanted value for their money. In the regimental system the first cost paid for goods is too low to command decent quality, especially when illicit commissions have to be reckoned with. The margin of profit taken on cost price with a view to amassing a fat canteen fund is too great—often twice the margin taken by retail grocers. Retail prices are as a rule fixed by some one absolutely innocent of any training in or knowledge of trade percentages or the dissecting of business accounts; so they clap on a "good" profit to be on the sure side, and when this results in big balances the regimental authorities are as a rule pleased, and consider it good management. The demands on canteen funds for various purposes are too great. A middle-rate grocer could not pay them out of his profits while supplying good quality, even if he was rent free. On the tenant system the amounts of concessions demanded to be paid from the profits are too great to admit of really good articles being sold at the prices allowed to be charged. No middle-rate grocer could pay these demands from his profits provided he sold a really good article, even if he was rent free. Having regard to the keen competition and small profits ruling in the grocery trade, together with the large proportion of grocers that go through the bankruptcy court, thousands of grocers who are considered to be doing good business would dance with delight could they make anything like the profits realised by canteens. The Food and Drugs Adulteration Act is inoperative in canteens. Were the Food and Drugs Adulteration Act enforced with canteens in the same active manner that it is enforced with grocers there would be some lively times. A question might arise as to whether the society would be prepared to take over the whole of the Army canteens or not. That is a question I should have to refer to the Board; but, personally, I would not recommend such a measure. The business of supplying the whole of the Army canteens is too gigantic an undertaking for either the War Office or any corporation, company, or single business organization to grapple with successfully, and an attempt to do so would most assuredly result in absolute failure, and the consumer, being the principal consideration, would be the principal sufferer. An example of this occurred on an occasion when anything approaching monopoly was attempted. The most practical plan would be to apportion districts, or groups of districts, to companies and firms of good reputation, by a system of healthy competition and properly discriminating selection, and with a firm attitude against rubbish-mongers, whose hands are dirty with bribery and corruption; and against cut-throat competitors determined to hazard anything in order to "get in." More importance should be attached to quality and clean business methods than to cutting prices. Establish a smart detective system for running to earth bribery and corruption-mongers. When delinquents were caught, hang them summarily, so that they would appear on the scene again no more for ever. First issue a severe warning to all concerned. It has always struck me that a bold and firm determination to have things straight, without favour or affection, would strike such terror into the hearts of evil-doers that they would clear, to seek their fortunes in happier hunting grounds. For the War Office to run the canteen business would be to establish the situation of the employé being compelled to buy of his employer, generally considered an untenable position. However careful we may be of the reputation of others, however it may be blinked, the fact has to be recognised that a lump sum down to "get in" and 5 per cent. to "keep in" are the roots of canteen difficulties. Against these practices the Society strenuously sets itself and insists upon everyone in its employ working with absolutely clean hands. I may mention that on my entering the Society's employment letters were exchanged which pledged me to a strict observance of this rule. Frequently traders get in on the strength of a cutting price list, but in the invoices rendered the prices on which they got in are ignored and escape comparison. A glaring case of this kind came to my own personal knowledge where on some goods as much as 33 per cent. above the price list tendered was charged in the invoices, and it had never been noticed till I pointed it out. One of the Society's managers has personal

knowledge of an exactly similar case. I hope I have not wearied the Committee at all.

3537. On the contrary, you have made a very interesting statement, and the Committee are extremely obliged to you. We are only very sorry that we have other witnesses waiting, or we should be very glad to have an opportunity of cross-examining you on some of the statements you have made.

The witness withdrew.

Lieut.-Colonel FREDERICK IVOR MAXSE, C.B., D.S.O., Coldstream Guards, called in and examined.

3540. (President.) We have had evidence this morning to say that the sergeants' mess, I believe, of your regiment is one of the best conducted of the sergeants' messes in the Army. I do not know whether you would wish to put in any evidence upon that question of the sergeants' mess?—Do you mean to say with regard to its food or drink or management?

3541. With regard to the honesty of management. I believe it is generally admitted that there is a great deal of dishonesty in the catering for the sergeants' messes?—I think there is some vague talk about it, but doubt whether there is much real peculation. We manage ours through a committee of the sergeants themselves. I have had irregularities brought to my notice when I have been temporarily commanding the battalion, but do not think they are numerous.

3542. Then, in your sergeants' mess, does each sergeant take his turn?—Yes, they all take their turns except those who have been found fault with. That is one of the punishments we inflict.

3543. Evidence has come before this Committee which I think leads other members beside myself to believe that you would secure a more honest and efficient administration of the sergeants' messes if you had permanency of administration in the hands of old pensioners?—I do not believe in the old pensioner, nor in a permanent caterer.

3544. You think you get better catering by monthly competition?—Yes, either monthly or in a different way; but if you eliminate changing the caterer I think you get a humdrum vested sort of management.

3545. How do you secure competition if each man who is not knocked out because of dishonesty comes in?—I mean competition amongst the sergeants, so that many sergeants acquire sufficient acquaintance with management to enable the committee to control and check the sergeant catering for the time being. All the sergeants on the committee have been caterers.

3546. I say the evidence which has been given to this Committee leads us to suppose that if you had a permanent management instead of a shifting management, a new man every month, you would have better results?—You mean a sergeant as permanent caterer?

3547. You might have an old pensioner looking after your sergeants' messes?—I am against the old pensioner, though there are good exceptions.

3548. You think that your canteens are better served by men on the active pay list?—I do not say that.

3549. What do you say then?—That they are better managed by tenants, not by soldiers.

3550. Would you apply the tenant system to the sergeants' mess?—No, I would leave the sergeants' mess as it is.

3551. Are there no reforms that you can suggest in the sergeants' mess?—I do not say that, but on this particular question of management, of the buying and selling the extras and drink, I am in favour of constant competition, both amongst the sergeants who manage it and the firms which supply it. The food is a Government ration.

3552. Where does the competition come in on the management?—For the buying and selling, or the managing?

3553. For all three?—You see, of course, the management goes on from month to month; one sergeant's management is very similar to another's.

3554. I asked you where the principle of competition comes in?—The principle of competition comes in when one man goes out of office and another comes in; he goes out as a matter of course each month.

3555. His term of office is only a month?—Or whatever the arrangement is. But the point is that

3538. (Major-General Eaton.) Do you happen to have a price list of the prices that you charge the canteens?—I have not one with me.

3539. (President.) You might kindly forward one to the Secretary; then we shall have the power of examining your price list as compared with some others?—Certainly, I will send you one.

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you get him out and get a change. One man thinks of a little improvement and the next man probably carries it on. That is what I mean by competition. Some caterers are better than others, and their improvements are adopted by the less able ones.

3556. But each man takes his turn whether he is competent or not, provided he is honest?—No, if we consider that a man is incompetent for various reasons, we do not allow him to be caterer when his turn comes.

3557. Upon whom does the choice depend?—Upon the Commanding Officer.

3558. But I do not suppose you like to put the stigma of rejection upon any sergeant?—There is no stigma in it.

3559. How do you manage it then?—We do not tell the sergeant that he is altogether incompetent, but we say to a man, "You are very much more wanted in the barrack square," or, "You are better at something else." It is not necessary that he should be placed in the management of the sergeants' mess when there are so many other things at which he happens to be more useful.

3560. Is it not the fact that the privilege of catering for the sergeants' mess is much coveted?—Yes, the sergeants like it.

3561. It is an easier life, for one thing?—Yes, and it affords stability of life for the married men.

3562. To go from the sergeants' mess to the canteen, you say that you are strongly in favour of the tenant system?—Yes, I am in favour of the tenant system, and against co-operation.

3563. Why?—Because I have tried it in barracks and found it fail, as a rule.

3564. Will you kindly tell the Committee what have been the reasons of its failure? First of all, where have you tried it?—I was in charge of the canteen at Caterham for a long time, and took a lot of trouble over it. I had a trial there of three systems practically running under the same conditions.

3565. Three different canteens?—No, three different plans of supplying the grocery bar. I am only talking about the groceries now; the drink is a different thing. First of all, I employed the Canteen and Mess Co-operative Society; then I employed Lipton; and I tried this experiment—I got hold of what was supposed to be a very good man, who had no shop, no business, but who was an expert buyer, and all he had to do was to go into the market and buy what I ordered.

3566. That is to say, you employed your own buyer?—Yes, and he charged me 5 per cent. on purchases; I have not brought the figures with me, and I am speaking from recollection. I tried him, I cannot say exactly how long—I think about 18 months—but the result was not anything like so good as I hoped, or as cheap. When I ordered bacon he would send me in hams, and that sort of thing.

3567. You were very unfortunate in your selection of a buyer, I am afraid?—I may have been. We then tried two or three other buyers, but they were not satisfactory.

3568. I suppose you would call that the regimental system?—Then I employed Lipton, and I employed the Canteen and Mess Society—all in the same place at different times.

3569. Which do you call the co-operative system?—I believe the Canteen and Mess Society are a co-operative society, earning reduced profits.

3570. You stated that you had tried the co-operative system, and that it had been a failure, and you quote this as an instance of its failure?—I am quoting this as an instance of the failure of trying to do for ourselves by co-operation.

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3571. What do you mean by co-operation?—I mean the Commanding Officer and the soldier and the man who is buying the stuff all working together as if they had only one interest.

3572. And you have given us an instance where this principle of co-operation broke down because the Commanding Officer (that is yourself) selected a buyer who was so inefficient that he supplied you with hams when you ordered bacon?—Then I tried the Canteen and Mess Society, and they were more inefficient.

3573. What did they buy when you ordered bacon—mutton?—You are asking me generally, are you not? The buyers were not satisfactory. They wanted constant personal supervision by an expert, and I was not an expert. The Canteen and Mess Society was more unsatisfactory; but Lipton was fairly good on that occasion. I ended up by discharging the 5 per cent. man, and I bought very little from the Canteen and Mess Society, I still employed them, although I found them unbusiness-like, in order to be able to check Lipton's prices with those of a co-operative society and thus keep Lipton's prices down.

3574. Have you any other suggestions to make to the Committee?—Yes. I am now in charge of the Chelsea Barracks canteen.

3575. What system do you employ there?—I employ the tenant system.

3576. Who is your tenant?—Dickesons, but we have very short contracts with them.

3577. How do you safeguard the interests of your soldiers and secure that they have good qualities supplied to them?—By having a short contract and by frequent comparison with other people. I do not pin myself on Dickesons or any other firm, but I find that not being an expert myself, and not being able to tell grocers how they ought to buy things, I get better value on the whole from a business man who has no benevolence about him. I tie him down to business. I have brought a form of contract if you would like to see it (*handing in the same*).

3578. Have you any other recommendations to make to the Committee on the subject of the management of canteens?—Having myself tried several experiments in managing canteens, I have become convinced that the co-operative system is not the best. Whatever may be its advantage in civil life it is not likely to have good results if applied to the Army. I am, therefore, adverse to the suggested plan of centralising canteen management either in the Canteen and Mess Society or in any War Office Department. I have found the tenant system, with free competition, short contracts, and the sort of supervision which military officers can be expected to exercise, better for every-day work than any co-operative plan of which I have yet heard. Co-operation implies centralisation necessarily. That is one of the points I make. I do not see how you can co-operate on a big scale without centralising. A well supervised tenant gives better value both to the soldier and to the Commanding Officer (who of course represents discipline) than an impersonal society or a department which may or may not be conducted on business lines. In canteens we want business, not benevolence. We want to be able to turn out a bad contractor at short notice and put another in his place. The contractor or tenant should sign such a grocery contract with the Commanding Officer of the battalion as will allow to him, the tenant, only the bare wholesale profit which he would obtain in the open market from the retail shops with which he deals; he is a wholesale grocer dealing with a retail shop, and his profit should only be obtained from the grocery bar, not the wet canteen. No profit should go into the pocket of a tenant from selling beer or liquors. The soldier thus buys groceries, &c., at wholesale prices in the barracks. I maintain that a contract on these principles, giving to the tenant only the profit which is legitimately his as a wholesale seller on a large scale, can be made with benefit to the soldier in every way, and without crushing the one incentive to constant improvement, namely, competition. I hand in a contract which in my opinion fulfils the principles mentioned above, and merely add that I do not wish to say more in favour of this particular contract than that it does carry out the principle I care for. Some details could, no doubt, be altered with advantage.

3579. We should like to see the contract if you will hand it in?—It is as follows:—

"(1.) The building and steward's quarters, where existing, to be provided by the Government at a nominal

rental of 6d. per week, the tenants discharging the cost of excise licenses and lighting. The tenants shall keep the premises of the regimental institutes, the manager's quarters, and the ground in the vicinity, in proper order, to the satisfaction of the Officer Commanding.

"(2.) The fittings at present in the regimental institutes to be taken over and paid for by the tenants at a valuation, and to be maintained in repair by them. At the termination of this agreement, in the event of the occupying tenants not continuing, the fittings and all additions made by the tenants, the bar stock and utensils to be taken over by the regimental institutes at a valuation, by arrangement, or by each appointing a trade valuer, with an arbitrator to decide any dispute. Any fittings or additions made by the tenants without the approval of the President, Regimental Institutes' Committee, will not be recognised.

"(3.) The tenants to provide shopmen and servants necessary to conduct the regimental institutes (preference being given to Army reserve men and Army pensioners, if qualified), subject to the orders of the Officer Commanding; any employee to be at once removed and another substituted at the request of the Officer Commanding, in either case, through the President, Regimental Institutes' Committee. The tenants and their servants shall obey all regulations in respect to the institutes which may from time to time be made by the Officer Commanding, or officers deputed by him, through the President of the Regimental Institutes' Committee.

"(4.) The tenants to guarantee that all goods sold by them in the regimental institutes are genuine, of excellent quality, and strictly according to description. In the event of the Officer Commanding objecting to any article on account of its quality, the President, Regimental Institutes' Committee, to request the tenants, in writing, to at once exchange the same, and in the event of the tenants failing to comply within a reasonable time, he shall purchase elsewhere, and charge the tenants with the cost of the article. A price list of all articles sold, signed by the Regimental Institutes' Committee to be exhibited in a conspicuous place in each of the regimental institutes.

"(5.) The Regimental Institutes' Committee to have the power to take samples of goods sold at any time for the purpose of examination or analysis. A sample thus taken to be divided into three parts, and sealed: one part being kept by the President, Regimental Institutes' Committee, one by the tenants, and the other forwarded to the War Department Chemist, Somerset House, or another qualified analyst, for analysis, and if found to be adulterated, or not of the description demanded, will be a sufficient reason for cancellation of this agreement.

"(6.) Sergeants' messes can, if desired, be supplied with malt liquor, wines, spirits, mineral waters, tobaccos, cigars, and cigarettes at wholesale rates, and shall receive an allowance at the rate of 5 per cent. per month on all groceries and provisions purchased at retail prices in the regimental grocery bar from the tenants.

"(7.) The married people to be at liberty to deal where they please; but if supplied from the regimental institutes other than the sergeants' mess, they will be allowed 5 per cent. on their purchases monthly by the tenants, purchasers keeping books for the purpose.

"(8.) Hawkers are not to be permitted by the Commanding Officer to sell goods to the troops in barracks, nor passes given them allowing them to enter the barracks. When the battalion is in camp, hawkers not to be allowed to sell goods to the troops in the camp, nor passes to be granted them allowing them to enter the lines of the camp.

"(9.) The tenants to maintain a separate place for refreshments and non-alcoholic drinks, and always to have hot tea, coffee, and cocoa on sale; and to provide early morning coffee and hot suppers when required; these to be varied and of reasonable price.

"(10.) Payment for messing supplied to be made monthly through the Adjutant, or any other officer appointed by the Officer Commanding.

"(11.) The tenants shall conduct the beer bar (or wet canteen) entirely for the benefit and profit of the battalion; and, excepting a per-centage for supervision and accountancy, of 2 per cent. on the takings, shall not, either themselves or any of their employés, derive any benefit, direct or indirect, from the sale of intoxicants in this institute. At the end of each month the tenants shall take stock, and present to the Officer

Commanding the brewer's account (deducting all discount and every allowance made for waste returns, &c., of any kind) and the book in which are entered the daily takings; and after deducting from the receipts the cost of wages, fuel, lighting, licenses, and any approved working expenses paid for, and the above-mentioned percentage of 2 per cent. for supervision and accountancy, shall by the 15th day of each month, pay to the Officer Commanding, or any officer appointed by him to receive it, the balance. It is understood and agreed that all the profits, including surplus on retailing liquors belong to the battalion. The brewer to be selected by the Commanding Officer or General Officer Commanding, on a contract. Beer pots and glasses to be provided by the battalion, and any wilful damage to mineral water bottles to be charged to the expenses account.

"(12.) For flying columns, or on manœuvres, the cartage for the marquees, utensils, and goods required for the regimental institutes to be provided by the Government or battalion or the cost of same, if provided by the tenants, to be charged against the regimental funds, or of any manœuvres, allowances made by the Government.

"(13.) When huts, canvas or bar fittings, or seating accommodation have to be provided by the tenants, the cost of hire of same will be deducted from the rebate due to the battalion.

"(14.) The opening and closing hours of the regimental institutes to be regulated by the Officer Commanding, and strictly adhered to by the tenants.

"(15.) No gifts or gratuities, either in money or kind, shall be made by the tenants either to the battalion or to individuals in Government or regimental employ for any services rendered or alleged to have been rendered by them, for or on behalf of the tenants, or towards defraying the cost of sports, entertainments, moves, tents, or for any purpose whatsoever. The President, Regimental Institutes' Committee, is empowered to at once terminate this agreement for any breach of this clause.

"(16.) Regimental necessities shall, if required, be sold in the grocery bar at the scheduled list of prices for these articles.

"(17.) Officers' messes can, if desired, be supplied from the grocery bar, and a discount of 5 per cent. will be allowed off the selling prices.

"(18.) The tenants undertake to carry out the instructions, and abide by the provisions laid down by the War Office letter of the 2nd December 1899, No. 106, General No. 412, respecting the movement of troops, &c., before the same have been definitely decided and published."

We all know that the tenant of a grocery bar has the advantage of a ready-money cash customer with no bad debts, and he has, moreover, a monopoly of selling groceries in the barracks; that is a great advantage to the tenant. In return for these advantages we call upon him to provide the brains (that is what we require—we want business brains in barracks) and the administrative ability which is sometimes lacking in co-operative undertakings. That contract I suggest is only for six months; and it can be renewed for longer periods. The tenant provides a first-rate staff—I must say from what I have seen of them they do, they provide a better staff than pensioners. The tenant provides a first-rate staff, both for the beer canteen and the grocery bar, but he only makes a profit on the groceries and pays only for the grocery staff. There is only one way of keeping him up to this work, and that is by the threatened competition of other firms. He buys beer, &c. (this is rather an important part of my plan) at a brewery selected by the Commanding Officer, at a price regulated by the General Officer Commanding by contract (a separate contract for the beer), and he sells it at a fixed price. I am not for lowering that price, because I think the soldier would drink more than would be good for him if the price were too low. The tenant has thus no advantage in selling a large quantity of beer; it makes no difference to his profit; he exists and keeps his business only if he does well in all respects. It is not merely whether he gives good stuff, which co-operation might do, but there is a question of personal management which is most important for the welfare of the soldier. For instance, we have from 300 to 400 suppers in barracks on winter nights, and it is extraordinary what good suppers they are. We never could do that ourselves. To produce these good cheap suppers one requires expert management which the tenant system alone seems able to provide. The tenant keeps his business

only if he does well in all respects; and I rather emphasise the "all," including management and materials; and the man who employs him, that is to say, the Commanding Officer is the man who should have the power to get rid of him and replace him. That is rather of the essence of what I wish for—I am talking as a regimental officer—that we should not have to deal with an impersonality like a War Office Department. We have had too much grandmotherly legislation in canteens for many years, and not only in canteens I fear. If a general co-operative experiment be forced upon us we shall be incorporated into a system with hard and fast rules, managed by men who may or may not be business men, but against whom there will be practically no appeal. We may complain, but they will say, "Oh, it is the Department." The system will soon become hide-bound with official red-tape, and, the human element of competition being eliminated from all its undertakings, we shall find ourselves unable to profit by the improvements which are continually being made in civilian undertakings all over the country for a free public. Supposing this Committee do procure a co-operative plan for the whole Army on the very best lines to-day, can we suppose that in 20 or 50 years' time improvements will not have been discovered? And do we find a Government Department, or an omnipotent society, on the look-out for improvements, or for reforms, or for keeping everything up to date? I venture to say that reforms are rarely made by Government Departments on their own initiative, or by any monopolists, until they are forced upon them by an indignant public after some gross failure or scandal. This remedy we would rather not invite. I therefore plead that canteen management should be left free to improve, as we have undoubtedly very greatly improved it during the last 20 years. There have been enormous improvements since I have been in the Army. I have no interest in any particular concern, but I see that such and such a thing is a good thing, and such and such a thing is a bad thing, and an ordinary officer is capable of judging between them. Give us advice, but spare us from hard and fast rules and centralisation. There are at present four or five large firms of wholesale grocers in competition, and if it becomes known that the Army canteens are open to free competition, we shall, I hope, have several more competing firms in the market. You can trust the regimental officer to make a fair trial of these firms, because a regiment with a bad tenant in barracks adjacent to a regiment with a good one will soon become aware of the difference, and will naturally obtain better terms, or change its tenant. We do not come across civilian life very much in the Army. We move in a sphere of our own, and we are not expert grocers; we can only judge by results. I cannot tell you why one firm is better than the other, but we think one is better than the other, and I think we are very often right without being able to explain why. Probably each Army corps will have two or three local firms in competition, and if the local firms are not a success a London firm can be imported. Let all grocers be free to compete. In my opinion, the larger the outside civilian business a tenant has the more probable is it that he will be in a position to do Army canteens well. I do not think that a man who only does Army canteens picks up new things as well as a man who is doing a civilian business. If the Commanding Officer is not the controller of his canteen tenant or manager—I am now looking at it from the other point of view—namely the point of view of some department or other; if the Commanding Officer is not the controller of his canteen tenant or manager, and the latter is responsible to some impersonal Department in the War Office, it will be impossible to fix personal responsibility on any individual. That is what I think we have all learned, and not only in the matter of canteens. It is difficult, except on the tenant system, to fix individual responsibility. Supposing I have a manager for my canteen, and he is put there by a central authority over my head, I can only write and complain, if the management is bad, to some superior authority. If the suppers were bad the tenant would say, "My orders come from So-and-so, in London; if you have any complaint to 'make go and make it to them';" whereas, by my plan, by that particular scheme which I have handed in, I have my thumb on him. I say, "All right; you will not suit us. At the end of your six months you will go." But under any central organisation scheme, the canteen manager will not take orders or suggestions from the Commanding Officer. The Commanding Officer will find it useless or tedious or unsatisfactory

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to be constantly complaining by letter to Headquarters; he will end by saying nothing, and putting up with a bad canteen; in fact, we shall revert to the usual humdrum vested interests, with accompanying apathy, if the element of competition be eliminated, or if competition is confined to mere contracts in London, and does not also include the personal supervision of the contractor with the regiment.

3580. To summarise your views which you have kindly stated to the Committee, you are in favour of the fullest competition and decentralised management?—That is it; you have put it exactly.

3581. You are afraid of any centralised scheme, because it may weaken the initiative of the regimental officer?—Yes, and not only of the regimental officer, but also of the manager in charge of the canteen.

3582. The several statements that you have made prompt me to ask you whether you are conversant with the working of the workmen's co-operative societies which exist all over England?—I am afraid I am not.

3583. Would you be surprised to hear that there are over 1,400 of these small distributive stores purchasing and retailing to a working-class clientèle the groceries they require to the satisfaction of the class for which they cater?—I quite believe it. I have heard of it. I was not conversant with it, and therefore I did not like to say so, but I have heard of it. May I give you my answer to it?

3584. Certainly?—I would say that I quite appreciate the advantages to civilians; but you must remember that this great number of stores which you have mentioned are in competition in each street with other ordinary grocers; whereas in barracks there is no chance of outside competition coming in if you adopt this co-operative system. The civilian has a choice of several grocers' shops in each street, the soldier has but one grocery shop in barracks.

3585. Therefore it is your duty and the duty of any regimental officer to secure that the soldier should get the very best article for the money he pays down over the counter?—Absolutely. As I say, I am not a judge; we officers and soldiers are neither of us sufficiently alert in our purchases, as our absolute necessities are given us for nothing, and we are likely to get better articles in barracks through competition, in the same way that a good article is sold by your co-operative society's shop in competition with another grocer's shop next door.

3586. I must proceed to ask you one or two questions. I have elicited from you your admission that you are not practically conversant with the working of these co-operative societies?—With the principle of them I am, but I do not know how to run one myself.

3587. You have stated that you consider that the interests of the soldier will be best promoted by allowing the biggest grocers to compete for supplying him with his requirements?—Yes.

3588. But the bigger the grocer the more likely he is, according to you, to be able to cater advantageously for your soldier?—Yes, in competition with other firms.

3589. Yes, we are proceeding on the basis of free competition. Are you aware that the co-operative movement, which as I have said has 1,400 distributive stores, has a turnover of 70,000,000*l.* a year?—I daresay it has.

3590. That is 70 times more than Dickesons' turnover for instance?—I do not know what Dickesons' turnover is.

3591. And yet can you tell me whether the Wholesale Co-operative Society has ever had an opportunity of tendering for supplying your canteens with grocery requirements?—They have the opportunity. I am always ready to take on one; they have only to come to me in Chelsea Barracks and I should be delighted. I am not tied down to any firm. That is what I want—free competition. I have no objections to the Canteen and Mess Society so long as it competes with Dickesons and Lipton and any shop round the corner, like the Army and Navy Stores. But I do object to the influences which it brings to bear, such as the notice from its secretary enclosing a letter from the Adjutant-General, my official superior, stating that the canteen and mess is a "beneficent society."

3592. Your point is that you want the regimental officer to be able to go to anybody he pleases for the goods he requires?—Yes.

3593. You, as an officer, having the welfare of your regiment at heart, want to get the best possible article for the soldier that you can?—Yes.

3594. That is the object of this Committee too—to find out a method of securing for the soldier full value for his money?—Yes, of course, we are all agreed upon that.

3595. These tenants that you employ naturally come in on business terms to make as much money out of their contracts as they can for themselves?—No, not quite as much as they can; we restrict them very effectively.

3596. How do you restrict them in your contract?—We restrict them in our contract by means of competition, but the whole contract is based upon their getting the fair ordinary trade profit of any big grocer dealing with a shop. Of course, I hope we shall continue to make a profit out of our canteen, but it will be made as it is now, really on the drink, and it will go into our pockets; and the profits on liquor are about 50 per cent., you may fairly say, on the buying price. I have gone into it over and over again. That money comes to the Commanding Officer for all the various purposes for which, as you know, he uses the money.

3597. Then it is not the interest in your canteen for the tenant to push the sale of liquor?—No, not if my form of contract were adopted.

3598-9. But he makes money out of the sale of dry goods?—Yes; I do not know how he makes it, upon my word. I do not know that he makes very much; but the profit is certain and comes to him in hard cash daily.

3600. I am sorry I have to go back to my original point, which I find some difficulty in impressing you with. This co-operative movement, which is now buying for about five millions of the population, has the principle of both centralisation and decentralisation; it is centralised as a buyer, and it is decentralised in local management. (*The witness.*) In a local store the manager may go wherever he likes for the goods that his customer requires?—Yes.

3601. And that is what you want—that the regimental officer shall be able to insist that the manager of his canteen shall be able to go anywhere in the market for anything he requires?—Yes.

3602. My question is whether it would not be possible to set up an organisation which would enable you to obtain the advantages which you so rightly attach great importance to, of decentralised management with the advantages of centralised buying?—I know that is the co-operative idea. I ought not, perhaps, to have such a strong opinion, but I honestly do not believe it is capable of being carried out in barracks. I should like to see the details on paper.

3603. But you have never taken the trouble to make a personal investigation into the co-operative movement?—I do not admit that.

3604. I do say it, from your own admission?—I am not an expert, my opinion is only worth what it is, but I am pretty confident that it is shared by most other officers.

3605. We have not yet met with an officer who knows anything about the co-operative principle?—It is a curious thing, if this co-operative movement is such a success, why it has not been pushed in the Army, that is if it is applicable to barrack life.

3606. Because the only branch of the population that has never had any dealings with it is the military branch. But they are dealing with the working classes, and, I suppose, your soldiers really come out of the working class?—Well, I do not know that.

3607. What classes of society then do you say they generally come from?—A number, of course, are the sons of soldiers, and a great many of them certainly do not come from the artisan class. Very few recruits leave permanent employments to join the Army, and fewer still come from the skilled labour market.

3608. Are they below that class or above it?—Below it.

3609. Therefore, you would say that an industrial organisation which has been found successful by the

artisan class need not necessarily be equally successful with the class below them?—I do not go by classes; a barrack is a close place, you see, and the only possible competition you can get into it is through the Officer Commanding, or the military authorities.

3610. I do not go back to that; I quite understand that point?—Therefore these analogies of civilian co-operative benefit societies have no effect on any mind as regards barracks.

3611. But if you could be satisfied that 5 millions of the population?—I do not think the numbers matter to me.

3612. Then I will take the artizans. Supposing you find that the artizans of a town can by managing their own affairs secure all the profits made, the wholesale profits and the retail profits, after a small percentage has been paid on capital, do not you think it would be possible for the same thing to be done for the soldier?—I should like to see it done, but I do not see why it could not be done under the present free system of competition. Why should not that same society compete in barracks? What I am against is centralisation. Let those people compete, let the Canteen and Mess Society compete.

3613. You would not object to a central organisation established in order to secure the advantages of collective buying in wholesale quantities, buying advantageously for cash prices and so on, if the canteen in any barracks had the fullest possible liberty to go to the society or to go outside if it pleased?—No, if you like to start a society and tell me that I am not obliged to buy at it. I have no objection so long as co-operation does not involve compulsion.

3614. If I told you that you were obliged to buy anywhere, naturally, as in the case of most Englishmen, it would give you a prejudice against it?—No, I should try it; but I should like to go on buying, either from the Canteen and Mess, or Dickeson's, or from anyone else in the market. It would be bad to destroy my initiative, and bad to destroy the initiative of the man behind my grocery counter.

3615. You want to be able to do the best you can for the soldier?—Yes, and I am afraid of a central organisation on account of the centralisation and the rules that must be made, to keep it going.

3616. (Colonel Bridge.) May I put it rather in this way: that your objection is based rather on the fact that you are afraid that the Commanding Officer's freedom of choice and action would be interfered with by the introduction of a system fostered or patronised by the War Office?—Yes, but may I not put it in my own words? I want freedom for the Commanding Officer and for everyone concerned.

3617. That is what I say you are afraid of: the Commanding Officer's liberty of choice and action being limited?—Not only the Commanding Officer's, but I am afraid of being bound up in a hide-bound system throughout.

3618. We will say liberty of choice and action all through; we will not say whose?—Yes.

3619. Speaking about competition, you say the soul of canteen supply is competition?—Competition supervised of course, I do not mean hard and fast contracts; sometimes you get a very good contract badly worked. If you find a tenant works well you want to keep him.

3620. You said that the sort of firm that you would like would be a firm that was content with its wholesale profit?—Yes, I think it ought to be satisfied with that.

3621. Do not you think that we get that competition, only that it commences a bit earlier in the wholesale market, if you have one large system of supply for canteens?—I do not think so.

3622. You think that the wholesale competition is not sufficient?—I do not think it is; I do not want to divorce buying from management, if I may say so; I want to be able to go to the tenant on the other side of the counter and say: "You bought these beastly things; I do not like them"; and I do not want him to be able to say: "You forced me to buy them from some co-operative society; I cannot help it."

3623. (President.) There is another point I want to put to you on your contract. Taking the dry goods contract, not the beer, I understand that after you deduct the cost of wages, fuel, lighting and working expenses.

3624. "The tenants shall pay all wages, expense of management and accounts, and return a rebate of a fixed percentage on the amount expended monthly by the men."—You are quoting from the beer contract, I think?

3625. Your tenant does not hand you over the surplus profits that he makes after a certain percentage on his turnover?—He makes no percentage on his turnover on beer. He makes the ordinary turnover in the grocery bar, of course, as between the wholesaler and the retailer, but he has no retail profit.

3626. This is not a contract in operation, I understand, that you have handed in?—No, it is not in operation, though similar to the one in operation.

3627. This, I understand, is your idea of what the contract ought to be?—Yes.

3628. I want to know, under this contract, what price your tenant receives for the services that he gives you?—Wholesale profit paid in cash.

3629. You pay him, I understand, a percentage of 2 per cent.?—Yes, on the drink, for management and accounts only.

3630. "It is understood and agreed that all profits, including surplus, on retailing liquors, belong to the Commanding Officer"?—Yes.

3631. Then he receives for his services 2 per cent. on the turnover for looking after the beer canteen?—On the takings only.

3632. That is the turnover?—The takings.

3633. Call them the takings, if you like; he receives 2 per cent. on the takings?—Yes.

3634. On the dry canteen what does he receive?—His trade profit, and nothing else.

3635. How do you estimate his trade profit under this contract?—I do not estimate it.

3636. This is where your patent comes in. Will you point out to me what he receives?—His profit as a wholesale seller of groceries.

3637. What happens during the six months?—He is not bound down. I am not expert enough to find him out; I give him up as a bad job, if he is more expensive than other firms. I keep constantly comparing him with others.

3638. May he charge what he likes?—No; I supervise his prices, and compare them with those of other firms.

3639. Then that is what I want to get at?—I do not fix his prices by contract; they have to be the absolutely lowest he can buy at.

3640. There is no contract as to prices at all?—No, because they change constantly.

3641. You supply him practically with the canteen rent free, and he puts his man in charge, and serves your men?—Yes, for the wholesale price, and I keep that price down by saying Lipton's are selling for so much, the Canteen and Mess are selling for so much.

3642. Then you do not go into the rather complicated transactions of his handing you over the surplus profit and 2½ per cent.?—No.

3643. That is done now?—Yes, we are doing it; he is giving me 3s. 6d. a man. This 3s. 6d. a man is really the profit on beer—disguised under the name of "rebate."

3644. Where is the wording where you have the supervision of prices on the contract?—May I read the whole thing?

3645. Not the whole contract, just the operative words giving you power to supervise the prices?— "The tenants to guarantee that all goods sold by them in the regimental institutes are genuine, of excellent quality, and strictly according to description. In the event of the Officer Commanding objecting to any article on account of the quality, the President, 'Regimental Institutes' Committee" (that is myself), to request the tenants in writing to at once exchange the same, and in the event of the tenants failing to comply within a reasonable time he shall purchase elsewhere, and charge the tenants with the cost of the article. A price list of all articles sold, signed by the President of the Regimental Institutes' Committee" (that is myself), "to be exhibited in a conspicuous place in each of the regimental institutes."

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3646. After you have signed that list of prices, are those the prices at which the tenant must sell for the whole six months?—Yes.

3647. Then supposing that the price of sugar rises, what happens?—Then I can alter it.

3648. You can alter it week by week?—At any time I like; those are details.

3649. Then the tenant is absolutely obliged to sell at your prices, and if he refuses you can buy elsewhere and debit him with the amount?—Yes.

3650. And if you are unreasonable in the list of prices that you compel him to sell at, he has no remedy against you at all?—No, he chucks it.

3651. He chucks it at the end of six months?—Yes.

3652. Or he supplies inferior stuff; but then you have the power of inspecting the quality?—Yes, and I am the only judge.

3653. What steps do you take to inspect the quality?—Go round and taste and ask the men.

3654. Who buys your beer?—The General.

3655. Do you test it?—Yes.

3656. But you are not an expert?—But some of my sergeants are.

3657. We have had evidence to show that the quality of beer supplied varies very much?—Yes, it does.

3658. And that as a security it would be desirable to have chemical analyses?—Yes. The General supervises it; he makes the contract for all the beer in the Home District.

3659. But in order to keep it up to the standard that he accepts you ought to have it analysed?—We try it now and then, and have it analysed.

3660. (*Colonel Lambert.*) In your early evidence you said, in speaking about the sergeants' mess that if a man was unsatisfactory as a caterer it was a punishment for him to be kept out afterwards?—It is not a military punishment absolutely, it is the penalty of incompetence.

3661. He loses something. Then the converse of that will be true; that it is some advantage to him to go in?—Yes, they like to go in.

3662. How is your beer chosen in the sergeants' mess?—The Sergeants' Institute buy it on the same contract that we are on for the canteen.

3663. Therefore, they have no liberty whatever as to what beer they buy?—No.

3664. Are all possible supplies obtained for the sergeants' mess through the regimental institute?—Yes, but there is no compulsion exercised.

3665. They have no liberty there either?—Yes, they have; they can buy where they like.

3666. They are not obliged to get them through the regimental institute?—No.

3667. Who gets the trade discount in your sergeants' mess?—I did not know I was going to be examined about the sergeants' mess, so I have not looked up the figures.

3668. But it is most important, because it may be considered advisable to ameliorate the conditions?—It is a very small thing, if you think of all the groceries sold to the whole regiment. The sergeants do not buy much groceries.

3669. But the drink sold in the sergeants' mess comes into the question too. You do not know who gets the beer discount?—It is credited to the sergeants' mess, if it is the wastage that you mean.

3670. No; the trade discounts on the bills?—I do not think there are any on the beer.

3671. No, I mean on the general bills; there are such things?—Do you mean secret or otherwise?

3672. Sometimes secret and sometimes otherwise?—I cannot answer for what happens to secret trade discounts.

3673. Have you got the locked-till system in your mess?—Yes.

3674. What is the percentage of unascertained profits, could you say, roughly?—No, I must have the books for that; I have not looked it up. I know there are unascertained profits, and I look at that every month.

3675. You mentioned the profit on drink as being 50 per cent., you said it was on the takings?—No; I said it was 50 per cent. on the price of beer, which is a different thing.

3676. Supposing a barrel of beer costs 24s., you sell it at 36s., that is 12s. profit; how is the other 14 per cent. made up?—12s. profit on 24s. outlay is 50 per cent.

3677. I arrive at it in the same way that you do. I arrive at 51 per cent.; but I want to know how you make up your 50 per cent.?—I have not brought the details with me to show you; I did not know that I should be cross-examined upon that point.

3678. It is only for the information of everybody?—You may take it as being correct, but I cannot give you the details and figures.

3679. (*Major-General Eaton.*) We have been told that there is a system of bribery among these competing grocers to get the supplying of the canteens; has any instance of this attempted bribery ever come to your notice?—Never; they never tried to bribe me, and it would not be any good to bribe anyone else.

3680. But I mean your non-commissioned officers and others. It is done in this way, I must tell you: they get at old non-commissioned officers' old stewards?—Yes, I know.

3681. You have had no authentic instance brought to your notice?—No, I have often heard it said, and I daresay it does happen, but it is very hard to find out.

3682. (*President.*) We have had some evidence showing us that the provision made for the comfort of the soldier is almost a scandal to the nation?—I think I rather agree with that; perhaps not a scandal, but it is not what it ought to be; it does not compare favourably with any eating bar of the same class that men would go into in civil life.

3683. And the first want of the young soldier is to have greater attention paid to these comforts, better institutes and better buildings for his comfort?—I must say I think they ought to be much better.

3684. More of a club house?—Yes, that is badly wanted.

3685. And the result of the want of these better places in the barracks is to drive him to the wet canteen?—I do not think that. Those men who want beer will get it anyhow. Many do not care about it.

3686. You do not think that counter attractions to the wet canteen are required?—Yes.

3687. Do you say, there are none?—Yes, there are some.

3688. Do you think those counter attractions to the wet canteen ought to be improved and increased?—Yes, certainly. The recreation room is a most dreadful place, at present.

3689. Do you think it would be fair to raise money on the security of your wet canteen profits in order to provide better accommodation for your young soldiers if you cannot get the money from the Treasury?—I think you must get the money from the Treasury. We are now in Chelsea Barracks. Next year we may be ordered to Windsor. Why should I spend my profits to improve permanently the barracks at Chelsea for another regiment? In the Brigade of Guards of course we do it. But consider a battalion going to India for 12 years?

3690. You think it is a national duty to supply it?—Yes, the fixtures; the same as when you buy a house the fixtures are the landlords. The landlord's fixtures ought to be the Government's, and then the chairs and tables might be done on your plan. I do not see why we should go in for bricks and mortar construction; it is the landlord's business, and the landlord is the Government.

3691. That you think is a national duty?—The Government is the owner of the barracks.

3692. (*Colonel Bridge.*) Then there should be a rent?—No, why should you pay rent for barracks?

3693. I did not argue that you should, but you were putting the Government in the position of the landlord. I was only following that out logically.

3694. (*President.*) You say the Treasury must do this. Have you any hope of getting it from the Treasury?—No hope at all.

3695. Then if there is no hope of getting it from the Treasury, do you think although you would kick against it as a monstrous business, that it would on the whole tend to provide for the comfort of the soldiers if instead of dividing all their canteen profits among them in treats or in whatever way they are divided they were to be used as security for raising money for that purpose?—No, I would not do that; I think the Commanding Officer is the best judge of what the soldier likes, and what his profits should be spent upon.

3696. I follow that. What have you to divide among your men?

3697-8. Can you tell me approximately what there is to divide in the year out of the profits of the canteen?—Our numbers have been changing now; we are a

depôt battalion for two battalions in South Africa. We have been 2,400, and we are now about 700. I can send you the information that you want.

3699. Would it be 100*l.* or 1,000*l.*?—I can only say generally. I made out once on the tenant system that I advocate, that the Commanding Officer of an ordinary battalion on the piece establishment would get from about 800*l.* to 1,000*l.* a year to deal with as he liked.

3700. And if you had 800*l.* to 1,000*l.* a year to deal with, would you think it fair to set aside 100*l.* of that as interest upon capital to be spent on better accommodation for your men?—I think in theory it would be an excellent thing; in practice I do not believe in it because of the shifting of the regiments. I would put a sum aside for chairs and tables, but not for bricks and mortar. We do it now, on a small scale.

The witness withdrew.

After an adjournment,

Colonel QUAYLE JONES, C.B., examined by the President.

3701. You, I think, are commanding the 6th Regimental District?—Yes.

3702. You have come, I think, prepared with a few notes?—Yes.

3703. It will be most convenient if you give the substance of your notes to the Committee?—My principal experience in canteens and their management covers the last 10 years. The stations I am acquainted with are—Aldershot, Chatham, Colchester, Malta, Alexandria, Soudan, South African Field Force, Bermuda, Warwick. In Chatham and Warwick the beer bar adjoins the dry canteen with a thin wooden partition. In the latter place plans for a change have been sanctioned by the War Office. With this exception and Colchester, arrangements at all stations are about the same. In Alexandria we had district contracts for all things. In the Colchester district we have contracts for beer alone. In Warwick we have district contracts for everything. At other stations we made our own arrangements. In Malta the coffee bar or supper room was quite distinct, and in some cases it had been let to tenants. I know of a tenant having offered the officer who was looking after it a sum of money; I think 25*l.* a month for the men, and he would give him 8*l.* for himself; and he told him he was prepared to square a third party. Of course, that contractor did not return to barracks. In Alexandria a cigarette contractor offered to make it worth the canteen president's while to push his goods, and he was surprised at being turned out of the barracks and not being allowed any further dealings. At the same station there was a garrison canteen; I was president of it myself, and I found it was customary to give the manager a rebate on cheques. A man, who owned the shop, showed me his books, and showed me how he entered it up. The brewers in England were in the habit of giving a rebate of as much as 15 per cent. on the sale of beers, and they found it worth their while to do so, as they said it insured proper care being taken of their beer. At Aldershot we had quite good entertainments in the wet canteen. In my regiment it was open to people who drank, and to people who did not drink. It was used by both; we had a canteen suitably fitted up with comfortable benches, put up at our own expense. In Chatham the majority of the men went out of barracks in the evening, and the entertainments were not so much frequented. In Colchester there was a large garrison wet canteen with an excellent theatre, where good companies were engaged, more like a music hall. There were places where the men could be comfortable, and places on which they could put their pots if they wished. It was very much on the same lines we had had, regimentally, at Aldershot, where both drinkers and non-drinkers used to meet. This was far and away the best managed canteen I have ever come across. It was nominally run by a committee, but actually by the staff sergeant-major, the chief clerk in the District Office, who is an exceptional man for this particular line. His name is Staff-Sergeant-Major Lewis. Abroad, with a warmer climate, I find men sit in the canteens longer, and do not go in for games so much as they do at other places, on account of the distance they have to go to join in them. In Bermuda, where we were on very small islands, owing to the few officers I had, I adopted the tenant system.

At first they gave me 6*d.* a head, then 1*s.*, and I believe, but I am not certain, 1*s.* 6*d.* the last month. I found that, under this system, the average consumption per head per diem was one gallon. Here we could not provide any proper amusements for the men; there was not sufficient ground for it. The only thing we could do was to have a cricket pitch wired in on our island. In the Soudan, while I was there, no beer was allowed. In South Africa, on lines of communication, I had to give my men beer as the other corps let them have it; but, generally speaking, I do not think alcohol is required for anyone in good health in ordinary places and under ordinary service conditions. Free issues of rum are valuable after much fatigue; but I would have no wet canteen.

3704. You would only give this after exceptional fatigue?—Supposing you have men working, in water perhaps, during the day and through the night; in a case of that sort the general sanctioned my issuing a free ration of rum, not so much to do them good as to encourage them. They like it, and it really does them no harm. In Warwick, where I am now, my impression, on joining, was: "Here is every inducement to a young soldier to drink a little to put him on the 'manly road.'" The only decent-sized room is the beer bar. The supper room is used for suppers, and the recreation room for bagatelle and reading, but these rooms are very small; there is barely standing room for 50 men. The regulation amount of gas in the barrack room makes them as cheerless as possible; a man cannot read. I have exactly what I am entitled to, but I cannot get a further supply until the regulations are changed. The point of that is that the men will not stop in the barrack room; it is too uncomfortable for them; they cannot see to read; they cannot see to do anything; and this means, of course, that they are driven somewhere else.

3705. Is this an exceptional case, or is it a general rule?—This is the only dépôt I have ever been into, but throughout, barrack rooms are badly lit. They give you what the regulations provide for, and the Royal Engineers keep the burners and the pipes thoroughly cleaned, but the light is not sufficient for the men to see to read.

3706. So that they are driven out into the public-houses?—You can, on the other hand, as I have done, provide extra lights and furnish the barrack room, so that the men can stay in there to read, and I have found that to answer well.

3707. Out of what funds did you do this?—It was out of my own pocket.

3708. A generous gift?—It was a gift. Not much; only for one room, a few shillings only.

3709. Unless you had the means to do that, the soldier would suffer from want of light?—Yes, he had absolutely no comfort. They are very uncomfortable. I tried having the men to dine in one room, and using this room for games and reading, and this was extremely popular. This was at Chatham, where there was only a garrison library. That was open to civilians as well as to soldiers. It was a very well-arranged room, but it was unpopular with the men. Then I tried having the rooms brilliantly lighted for games and reading, with successful results, and I am satisfied

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that if you endeavour to raise the tone of your men, and do it by degrees, marvellous results will ensue. But you must begin at your depôts, and you cannot expect much until proper accommodation and suitable apparatus are provided. Men like billiards and bagatelle, and they should have them; they are quite ready to pay for their use. Non-commissioned officers, in my opinion, should be encouraged to use the club or dry canteen. Many a young sergeant is ruined by a sergeants' mess, which too often becomes a glorified wet canteen. A serious question will shortly present itself by wholesome discouragement of the wet canteen, namely, you will not have funds. My general experience with regard to the liquor portion of the canteen is that they fulfil the purpose of a money-making concern, and as being the means in barracks of providing the men with wholesome beer. But on the other hand they do not raise the tone of the soldier, but, in my opinion, they are incentives to drink.

3710. That is where you have constant entertainments in connection with the wet canteen?—Yes: they are inducements to drink, unless the entertainments are arranged on suitable lines, and the only place where I have ever seen it on suitable lines was the garrison canteen at Colchester. That is the only one which I have seen where it was well done.

3711. That is where you have an exceptional managing committee—like Sergeant-Major Lewis—who runs the canteen?—Yes. He gets the people down to the entertainments. As regards dinner beer, I have always allowed my men to have it, but I find they very rarely touch it. They will not take the trouble to bring it over.

3712. Because the wet canteen is away from the dining-room?—Yes; the soldier expects everything to be carried for him.

3713. He would rather have his meals without beer than take the trouble to fetch the beer?—Yes, that is my experience. The class of men who join are not in the habit of drinking beer with their meals. The man carries on his own traditions, and as a rule he will drink before a meal, or at any time of the day. As to dry canteens, for the last 20 years these have been pretty well run in my own regiment since we returned from India. In 1880 we provided men with suppers, and they, of late years, have certainly improved. Suppers, I find, are rarely eaten by men of over two years' service. After two years' service you find the men begin to, what I call, soak. After about two years' service, if you cannot get them out to games to encourage them to go out, they will sit in the canteen. They will simply leave the canteen when really necessary, and come back again. They will have a gallon of beer, and three or four of them will sit together, and they will simply soak.

3714. Most of the young soldiers when they join are good eaters and indifferent drinkers?—Yes.

3715. But after two years' training in the Army they become soakers?—A large number of them do; not all, but a very large number.

3716. This does not reflect very much credit upon the arrangements in the Army?—No, it does not.

3717. You are manufacturing drunkards?—That is my opinion. I say that our canteen system is simply one that encourages the men to drink. There is not the slightest difficulty in supplying the men with suppers. You can feed your men very well indeed; and if you give them good suppers and make their rooms comfortable, you will have large numbers coming in. For instance, the day I left Warwick, out of my 289 I provided 91 with suppers. They will take them if you look after them. The recreation rooms—that is, the rooms where the men read and play games—are generally too small and are not comfortable. I think we should lay great stress on the want of comfort. When the soldier goes out to drink he gets a comfortable place to sit down. At all events, it is not a barrack form, and he does not drink out of a tin pot. I am sure that if we gave the men more suitable things to drink out of, though it would be a great expense at first, we should help to raise their tone. Another difficulty is that we are not able to employ a sufficient number of men as waiters; and there not being a sufficient number, a commissioned officer is unable to do as much as he would like to do.

3718. Will you explain further what you mean by that?—Each room wants some one to look after it, and

we cannot afford to keep the men to look after these rooms.

3719. Do you mean that you cannot afford to pay the wages?—We could afford to pay the wages; but we cannot take the men away from their legitimate duties. No General would stand it.

3720. A soldier is to be a soldier, and not a grocer?—Yes. If you were to put in armchairs, and so forth, you would have to have some responsible person to look after them to see that they were not destroyed. But if you were to do that I am quite sure the men would appreciate it, and would use the armchairs, and this would keep them in barracks, and they would not go out to low houses, where a great number of them, I am sorry to say, go now. Then we should provide them with more games. We can do it, we have the money, and we can buy the games; but we have not the men to look after them to see that they come in again. If a soldier finds a thing costs him nothing at all he will not take the slightest care of it unless you have somebody to actually watch him; I mean, of course, until you have them properly trained, and have got them into proper ways. I have provided writing rooms abroad with good results. I have never been able to do it in England; but I did it abroad, and I found the men appreciated it very much. We adopted a very simple system; any man who bought a stamp had a sheet of paper and an envelope given to him; and the cost was very small. In fact, it made it more like a club. With regard to supplies, our great difficulty as soldiers is to know whether we get value for our money. As far as my experience goes, the contractors have dealt very fairly with us and are always ready to go into any question of prices, and if an article is not liked they are always ready to change it, and they will do everything they can to satisfy us. If we were all thoroughly versed as buyers in the different markets, I am certain we could get many articles at a lower price than we do. It is, of course, an understood thing that a contractor or middleman makes his profit. My only knowledge of the Canteen and Mess Society is from an officer who was on the Committee, who assured me it was the grandest thing going. My own experience is that the labels on jams were changed by accident by this society to the detriment of the purchasers. I was looking over some of the correspondence the other day, and I thought it was an unfortunate circumstance.

3721. Was that the fault of an individual or of the principle of management?—It had nothing to do with the management.

3722. Was it a piece of dishonesty on the part of an individual?—We took it to be so. We sent the jams down to the manufacturers to ask them whether they were what the labels purported to be, and they said "No."

3723. Then the seller had deliberately changed them?—I will not say deliberately changed them, but it was unfortunate they were changed. It was at the time of the manœuvres, when there was a great deal of stuff going about.

3724. Was any action taken in that case?—No, we simply dealt elsewhere.

3725. Was the manager put in by the Canteen Society?—No, it was our own manager.

3726. Did you take any action against your own manager?—I did not. I was not commander at the time. This I may say was about 10 years ago.

3727. You simply changed your source of supply?—The contractor was changed.

3728. Although it might have been the fault of your own management?—No, they acknowledged that they did put the labels on.

3729. You mean the source of origin was to blame?—If I remember rightly it was supposed to be whole fruit jams, and they sent instead jams made of mixed fruit.

3730. They sent a less expensive article purporting to be a more expensive article?—That is it exactly.

3731. The accident was in their favour?—Yes, the accident was against the regiment. One great reason why I prefer a regimental contractor is on account of manœuvres. It is a point of honour of everyone to see that his own regiment is as well fed as he can possibly have them fed on manœuvres, whatever happens to

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other corps. As everyone will tell you, that influences them a very great deal to make quite sure that we have our supplies quite up to date, and until the Army Service Corps provide groceries, as they do on service, I think you will find the people will cling to a contractor. With regard to the purchase of beer, the present system of district contracts is, I think, quite good. The men did not like it at first, but I put that down simply and solely to this—that the manager did not get his usual discount. But I think that has been got over now, and that the people are settling down to it. I have not, however, worked out the figures.

3732. When you say the manager did not get "his usual discount"; what do you call his usual discount?—About 15 per cent. from the brewer.

3733. That is, the manager of your wet canteen gets a commission of 15 per cent. on the takings?—On what is sold—yes, on the beer that is sent in in former days.

3734. According to your experience, what is the usual discount?—It is simply what one man has told me, that it is as much as 15 per cent. I have not worked out any figures, but I cannot help thinking that this cheapening of the beer which has taken place of late years has increased the drinking. I think there is no doubt about that. If a soldier is in the habit of drinking, if he can get two quarts at the price of one, he will have his two quarts.

3735. Do you charge 1*d.* a glass and 3*d.* a quart?—Yes.

3736. And four glasses go to the quart?—Yes.

3737. The practice, according to a great many of the witnesses, is that the soldier if he buys one glass pays 1*d.*, and does not get the full value of his money unless he buys a quart, which he gets for 3*d.*?—That may be so. He can get a pint of half-and-half for one penny.

3738. Do you give them half-pints?—I have never sold many in that way—about 30 a month.

3739. Have you not in your experience known the practice of selling a glass, which is a half of a pint, for a penny?—Yes, but the smallest thing I have ever seen sold is a pint. Then, I think, as regards prices, we should undersell the publican, and any profits we can make should be for the benefit of the soldier.

3740. Why do you wish to undersell the publican?—Simply to keep the soldier where he will get wholesome beer. Then although the canteen is not in my opinion a very wholesome place, it is a great deal more wholesome than places outside.

3741. You would compete against the publican in quality as well as in price?—Yes, certainly. The first point is that the quality should be as good as we can get, and the second is that we should be able to undersell the publican. That is what I think is very much needed.

3742. In order that you may keep control over your own men, is that the object?—Yes. I think if we had more inspection of what beer we sell it would be advantageous.

3743. What is your present practice *quâ* inspection of beer in the interests of your own men?—I suppose I may enter five days out of six, but I do not often taste the beer. My second in command tastes it; he is a judge of beer.

3744. Do you have a chemical analysis of your beer?—Only if there is any question as to its quality.

3745. Do you know what an analysis costs?—I think we get it done for nothing. What we used to do was this, at Aldershot we used to put it in bottles unexpectedly, and then send it. The beer was taken at some unknown time, and they used to hand it to the medical officer to have it inspected. So they did in Colchester. But those are the only two stations where I have known of that being done.

3746. As far as your experience goes, there is not a regular custom on the part of the regimental officers to take samples of the beer and have it analysed by a chemist?—No, not unless we have reason to believe that anything has gone wrong. If there is anything wrong the men make a complaint. Besides, you can tell by having a glass drawn at an unexpected time as to whether the beer looks clear or not.

3747. I suppose you can depend upon the men making complaint if they think that the beer is not up to the standard?—Yes, the canteen manager will tell you instantly.

3748. I suppose the men are very quick to find out any defect in quality?—I will not go so far as to say that; but they will tell you whether they like it or not. Then as regards the dry canteen, I am strongly opposed to a district contract. I consider that Commanding Officers can do for their men as well, if not better, by letting them deal where they like. I would not bind a Commanding Officer to deal with anyone. My experience shows me that I can get some things that the men like better from one contractor than from another. To give you an example of that, if you deal with Dickesons, most of the things are good, but sausages, which men like very much, are supplied very much better by Lipton's. But with a district contract you have no option. You must get everything from the same man. With a regimental contractor everything you want is sent by the contractor. You can have sausages, or whatever you like to name, from Lipton's; and the contractor will supply you with them at once. But if you have to refer everything of this kind to your General—well, you will not do it. You cannot worry the life out of him by details of that sort.

3749. Then, in the interest of freedom of choice and open competition, you are in favour of the regimental contract rather than these district contracts?—For dry goods, yes; for beer, no.

3750. Why not beer?—Because beer is one article; and that is a thing you can get hold of. But I could not tell you, for instance, the difference between Patna rice, or Japan rice, or American rice. Or take, again, sultanas or currants; I am not a judge of them. There are a great number of these, and you may get one or two that are bad. You cannot refer every one of these matters to the General. Then, moreover, the person who is advising him in all probability thinks that you are only giving unnecessary trouble. With a district contract, on these grounds the contractor can impose upon you; and although you know you are getting one or two small articles not so good as you would like, you do not wish to enter into a correspondence with your General on that subject. I am for giving entire freedom. But in order to see that you get what is proper, I should very much like the number of inspectors to be increased. There is no doubt that they have done us a lot of good. It is a very great advantage to have an officer coming down at any moment unexpectedly and letting him go through the whole of your canteen. I would let him see everything. The only thing I would stipulate for is that you should not be asked to make out a great number of statistics or give a great number of returns. But let anyone who is well versed in the matter—an officer by choice—come down and see that you are really getting the proper goods for which you pay. This we, as soldiers, do not know; we have no means of knowing it, however much we may wish to help our men. Then legislate as little as possible. Give your Commanding Officer the general principles on which you wish your canteen run. Do not kill his initiative. Then you are bound to get good results. Constantly inspect his system, but do not harass him for statistics; in fact, trust him. With regard to food in the wet canteen, I think, as a general principle, it is perfectly sound that the man should eat when he drinks; but my experience is that men who want to drink at odd times rarely eat. You may see the same thing in our own clubs. You go into a club, and you see fellows drinking whiskies and sodas; but you do not often see them eating a biscuit or a sandwich at the same time. I think, however, I should let that settle itself; I would not legislate as to it. But, as a rule, food is quite accessible to any man who wishes to have it. On the same grounds, I would not legislate for this, but should leave it to the Commanding Officer, who knows what the feeling of his regiment is, and who is in a position to know whether it is better for his men to have it or not. I do not think anyone would object to a man having a glass of beer up in the supper-room, provided it is understood that the supper-room is not to be turned into a beer-drinking place. He should be able to have a glass of beer with his food; but people should not be able to sit down and simply drink. As regards the entertainment in the ordinary room in the wet canteen, where men sit for hours, I should be inclined to have no entertainments at all; but in a theatre, such as exists at Colchester, where men can attend, I would have a good entertainment every night. To get my men into decent habits, I would allow them to bring their female friends. I am afraid I shall be shouted at for that; but I am convinced that we must trust the men, and I do not believe that

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they would abuse the privilege. I do believe that public opinion would soon put a stop to any undesirable people coming in. Then we should not exclude our non-commissioned officers, but we should encourage non-commissioned officers and their wives to attend these entertainments.

3751. Are not they allowed according to the present practice?—A soldier can take his wife, but a soldier cannot take his female friend.

3752. You say the non-commissioned officers should be encouraged to take their wives?—Yes, because as a rule the non-commissioned officer lives in barracks, and his wife lives there, and non-commissioned officers should be encouraged to go there with a view to raising the tone, and the soldiers' female friends should be allowed to come.

3753. The non-commissioned officer now abstains from coming?—He is always discouraged. He has his own mess.

3754. Who discourages him?—The regulations. The non-commissioned officers are forbidden to indulge in habits of conviviality with private soldiers. I do not fear results from allowing the soldier to bring his female friends. Public opinion would prevent that. Non-commissioned officers should be encouraged to attend. I would reserve a certain number of seats for them. The seats should be like those in a comfortable music hall; not barrack forms, but so that the men could sit down comfortably. Then if a man wishes to have a glass of beer, he should be allowed to have it, or, if he wishes, to have a bottle of soda water. In fact, it should be run like a respectable music hall. I should not be myself opposed to a small charge. Of course, this charge must be very small, otherwise the soldier would not pay it. But if the entertainment was good I am quite certain it would pay; it would amuse the men, and it would not encourage drinking. With regard to money-making, which is really a very important thing connected with canteens, I may say that the profits from a dry canteen are very small. All groceries for messing are sold at cost price as nearly as possible. At least 6d. a head is given monthly for extra messing. Feeding drafts, Christmas dinners, providing sports, giving them cleaning bags, stationery, wages, &c.; these items amount to a considerable sum, and without the profits from the beer I do not see how they can be carried on. If a canteen is not of necessity a money-making concern I think if it was run as a club we should make our men more comfortable, and we certainly should raise the tone of the Army. *

3755. You tell us that a great many of the amusements of the soldiers are paid out of the profits of the canteen?—Yes.

3756. And that the sale of beer is really essential in order to give you this profit?—Yes.

3757. At the same time you think if you could establish a club which would meet the daily requirements of the soldiers' comfort, that would help to raise the tone?—Yes.

3758. Do you think it would do him more good than to encourage sports?—No, it would not do more good than sports; certainly not. But you must remember that there are very few men trained for these regimental sports.

3759. If you had to choose between good sports and clubs, which would you prefer?—If I could ensure the men having healthy exercise and sport I should go for the sports.

3760. Rather than for the clubs?—Yes, if I could ensure that every man would take healthy exercise I would sooner have that; but there must be no drinking with that.

3761. I suppose a soldier has exercise every day of his life?—Not as much as I should like to give him. I should like to encourage him even more to play football, cricket, hockey, quoits; in fact, every manly game, and I would do everything I could to that end.

3762. You would prefer that he should go in for manly out-of-door sports rather than sit in an arm-chair reading the paper?—Certainly. But the canteen, if made a club, would, I am sure, improve the tone of the men. To do all this, however, you must begin at the beginning, namely, you must begin at your depôts. When a recruit joins, whatever his antecedents, he will be affected by his first start as a soldier. My experience is, that a man rarely begins to drink in its

objectionable form until after he has had two years' service. In my own depôt in the last three months, with an average of 238 men, the average daily consumption of beer has been 17. 8s. 2d., that is under 220 pints a day, and my experience with my regiment was the same. Young soldiers do not drink; older soldiers do. At my headquarters in Bermuda, after the men had been able to get as much beer as they wanted for five months after leaving South Africa, and they had little more than their ordinary pay, the consumption was a gallon per head per day in the winter. Owing to the smallness of the island there was no room for amusements. These were all of them old soldiers.

3763. (*Major-General Eaton.*) They were under canvas?—Entirely. There was no place where the men could play any games except one small pitch, which we wired in to prevent the ball going into the sea. We could only play about 30 men there, and that was next to nothing. There was no room for any other game. Then no man could ever get on shore; he could never get any exercise. The boats were so arranged that if a man went on shore he could not get back again without sleeping the night, so that the men could not get exercise.

3764. (*President.*) They had nothing to do but soak?—They had nothing to do but soak. We could not get any amusements. We were 4 miles by sea from the main island. I bring those facts forward simply to show what will happen to the soldier when he gets older, if he has no amusements.

3765. Where were the 238 men stationed who consumed 220 pints?—This was in Warwickshire last week.

3766. Those men were mainly young soldiers?—Forty-nine of them were old soldiers.

3767. And you encouraged them in every way to indulge in manly out-door sports?—Yes.

3768. And in that case you found one quart of beer met the requirements of eight men daily, whereas in Bermuda, where they had no opportunities of recreation, the consumption was a gallon per head a day?—Yes.

3769. That is four quarts per head a day as opposed to one quart for eight men?—Yes. I thought that was a strong instance as bearing out what I was saying, that the young soldier when he joins does not drink, but that we train him to drink. When I say we train him to drink, I mean custom does in some places—the Commanding Officers have not much voice in the matter. At the same time we never have a man drunk. I never had a single case of a drunken man. My ideal canteen would be, as regards beer, a bar like a public-house. I would give them no place to sit down. My largest measure would be a pint measure. For this I would have a special pensioner, by choice an abstainer, who should be available to serve the beer. I think if you have an abstainer—fortunately I have one now, and find the benefit of it—he does not encourage the men to drink. The man I refer to is an excellent man, but he is the only abstainer I have ever had dealings with in a canteen. I did not put him there: I found him there. He does not encourage the men to drink, but if a man wants it he has it. There is no encouragement for a man to take more than he requires. Then I think you want a grocery bar for the issue of groceries.

3770. Would you have them under the same roof?—That I should not mind as long as it did not join.

3771. You would have a separate bar?—You want a separate bar, so that a person can go in and have it.

3772. Then for that you want another manager?—What you are allowed is one manager, but I want several managers, so as to keep the things entirely apart, and not run them together. There should be a writing room, which could be used in the evening as a supper room. That could be run by the manager's wife and one or two men, according to the number of people that you had who came in to take your food. You want a reading room for newspapers and books, with comfortable chairs, and you want to use that as a quiet room. Then you want a games' room for cards, dominoes, &c. I am opposed to preventing men playing cards. Our regulations are very strict. No gambling is allowed. Well, you can no more

prevent a man playing a game of cards for whatever he chooses to put upon it, then you can prevent the tide coming in. I think we must recognise that they play cards; and for my own part I would very much sooner they did play their cards openly, than that there should be secret playing in the barrack rooms. I think public opinion would very soon prevent this being abused in any way.

3773. I suppose these barrack rooms are sufficiently well lighted to enable them to play cards, if not well lighted enough to enable them to read?—I should say they were; they can play by daylight.

3774. And they do play cards?—I have not seen them playing there in the evening. I have seen them playing there in the afternoon.

3775. When you are going on your rounds do they hide their cards?—I have not been round as orderly officer for so many years that I forget. I never have had it reported to me. They would probably go on with their cards, and if there was any money they would secrete it. I do not think they would stop the cards. The officer would not make any report if he saw them playing cards if they had not any money on the table. Then you want a room for billiards and bagatelle, and you want to make them comfortable with seats round the room. In each of these they require a pensioner to look after them. The men play billiards and bagatelle on a wet day tremendously. That is my experience of my own men, that if they cannot get out they will use their billiard and bagatelle tables.

3776. What charge do you make for the game?—A penny a hundred.

3777. Is there a time limit?—No.

3778. Suppose you have a duffer who takes half-an-hour?—Then we lose by that. The men prefer that. They draw up their own rules. I let them have what they prefer. There is no charge made for the bagatelle table at all. Then, I think, a good theatre, accessible from the club rooms and the beer bar, will do a very great deal of good. It will keep the men in barracks. At first damage may be expected. The only way I can see to avoid damage is by not commencing anything of that sort until you have your recruits trained in the depot to take proper care of these things. Each room should have its bell and a boy waiter, and the men should be able to order what they like in any room. The only rooms I would bar, where they should not have beer, would be in their reading rooms and their games rooms. Otherwise I would let them have it where they pleased. The beer and grocery bar should be free, but I think it might be considered whether a small subscription of 3d. for all ranks for the remainder of the club might not be charged. The non-commissioned officer should be encouraged to belong, and the beer bar should be closed at the tea hour. That, of course, rests with the Commanding Officer. With great diffidence I say this, but I find it always to answer very well not to let anyone drink in the bar while the tea meal is going on. Then I have a few notes on the merits and demerits of the regimental system, the tenant system, the contractors, and the co-operative system.

3779. I should like to hear what your views are upon those points?—I think one of the great advantages of the regimental system is, that as a Commanding Officer you have got entire responsibility; you have the whole thing in your own hands; you have everything connected with your men and their interests, without anyone to interfere with you. Then if your own regimental canteen is run by yourself, you can readily adjust any objections to any articles; and, I think, it is an important point in the well being of one's men that one should have everything under one. Then you employ as a manager a man who is suitable to your own corps. I think what we most of us do is this—we employ old pensioners of our own regiment, who have been brought up in the habits of the regiment, and they are very useful to us. Another advantage is, that a manager in this case has only one master. In the regimental canteen the men have confidence; we publish the accounts; I do not think they ever look at them; but they see the officer's signature at the bottom of them, and they feel if there is anything wrong they know where to go to. Another advantage is, that in the regimental canteen we get all the profits.

3780. You say you publish your accounts; do you have a committee of non-commissioned officers and men?—No. I have never done that.

3781. Do not you think that would be a good thing?—No.

3782. Why not?—Because you never get non-commissioned officers to agree. You would never get them to appoint a committee. They would appoint sergeant-major, quartermaster-sergeant, and one or two senior men who I do not think would form a representative committee.

3783. You do not think that even with voting by ballot you could obtain a representative committee?—No, not from the soldiers. My great difficulty has always been to find out what it is they really do want.

3784. Do they ever complain to you?—No. The only complaint I ever remember having was in the Channel Islands. The men complained about the eggs. We went into the question of the eggs. We took a lot of trouble to buy fresh ones, and we asked what was wrong with the eggs. They said they had not sufficient taste. So we got them shop eggs, and they were quite satisfied. That was the only complaint I have ever had.

3785. Because you would insist on serving them with fresh eggs?—Yes.

3786. Then I suppose the regimental system has its disadvantages?—Yes. I have given you what I consider some of the principal advantages. I have not been able to go into these as thoroughly as I should have wished. The married people will certainly complain; but if you take the trouble to go into it and find out what is the cause of it, you find it is that they like to get out in the evening with their husbands, and they like the little patronage of dealing with the shopkeepers, but I am satisfied they have no real grounds of complaint.

3787. I understand, then, the married people object to the regimental system?—To everything in the canteen, regimental and otherwise.

3788. You think the influence of the wife is the cause?—Yes, it is her influence, because she likes to get her husband out in the evening. The wives of all soldiers in the Army like to go out in the evenings and buy things. This gives them a little patronage, they can go into a shop and bargain for things; while if they go into the canteen there is a fixed price, and they must take it or leave it.

3789. Then we may take it as a standing rule that the married people object to every form of canteen?—Every form of goods in the canteen. They would sooner buy these things outside at a higher price and of worse quality than in the canteen. If you have them where there is no town close by you will find they all come and deal with the canteen, and you never hear any complaint.

3790. What do you say as to the demerits of the regimental system?—The main demerit to my mind is that it gives us almost more work than we can do. But it can be done. I did not have a second in command, so, perhaps, I am not in a position to speak of a Commanding Officer who has a second in command. But I was able to do it, though it gave a tremendous amount of work.

3791. You mentioned the employment of old pensioners?—That is as managers and employees.

3792. This system throws too much work on the officers, you think?—It gives them a very great deal of extra work. I will not say too much, because I do not think you can do too much for the benefit of the men.

3793. Whatever the principle of management is, it will always be the duty of the regimental officers to see that the goods supplied from his canteen are up to the standard of excellence?—I think every Commanding Officer would do so. It is very much to the advantage of the regiment. It would be certainly an unusual thing if the Commanding Officer did not take interest in it.

3794. If he did not he would not be doing his duty?—The regulations lay that down. I will not make any comment upon that. Then it is work which officers are not accustomed to, and there is no doubt it is unpopular work. We have nothing to go on; we have no experience, and we are working our way in the dark. I do not think you will find one officer in a thousand who ever volunteers to do the work of canteen. Then another point is, the accounts are very complicated. If anyone were to go over a stock book and try and work

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it out, he would find it a terrible thing. However, the accounts have of late years been simplified. Then, as regimental officers, we have had no experience in the qualities of things. We do not know what we ought to have. Another great difficulty is the getting honest attendants. But that will be realised if one only goes into what the soldier's ideas and views of a canteen are. You may give a soldier every farthing you have, and be quite certain that it will be absolutely safe, that he would not touch your money, or do anything but what was honest; and yet, once it becomes a question of canteen, he thinks that anything that sticks to his fingers is all part of the day's business. Yet if you were to suggest to him that he was doing a dishonest thing, he would be quite horrified at the idea that you should take that view.

3795. He does not realise that he is robbing his own brother soldiers?—No, he does not grasp that. But he would not rob you or me.

3796. Is that as true of the sergeants' mess?—Yes, it is every bit as bad. My view of the sergeants' mess is that they are bad.

3797. You mean as run at present?—Yes.

3798. With a monthly caterer?—Yes. I would rather not go into that subject.

3799. It is so unpleasant you would rather not go into it?—It is not that, but I have not thought about it sufficiently. Then, as I have said, there is the difficulty of getting honest attendants. Another great objection is that it takes men away from their proper work. My own view is that a soldier should be a soldier, and not a grocer. Then as regards the tenant system, the advantages are that to a certain extent our responsibility is reduced. It saves officers being taken away. It is a saving in accounts. But beyond saving trouble and giving you time to do other things, I do not see any advantage in the tenant system at all. Then as regards the demerits, although we lose a certain amount of profit, drink is encouraged. The manager is in an awkward position. You see he has two masters. Another thing is, the civilian does not understand the soldier. You want a soldier to deal with a soldier. Then with the tenant system, unless we have inspectors sent round we have no check on the quality, and there is no doubt that the soldier absolutely distrusts the tenant. If you can only get a soldier to talk to you he will tell you that he trusts his officers, but he will not trust the tenant.

3800. With regard to the advantages of the contractors: what are they?—There are several. You have a larger market, and if one is not satisfactory you can always change them. You can always hold that over a contractor's head: "If you do not supply me with what is required I shall change." With a contractor we never have any losses. If anything goes bad, he takes it back again, and it is worth his while to provide what is required. He will supply us at manoeuvres, and we are certain of getting what we want. He wishes to please us. Wherever we go he is always available. In South Africa the other day I saw one of Dickesons' men as far down as Johannesburg. Another thing is they will comply with urgent demands. Now if you have a thing run "by Order" you will not get any of these advantages. The disadvantage of the contractor is that his prices must be at the very least 10 per cent. higher. That is the least profit you may say he will make if his concern is to be worth anything.

3801. And by good management you ought to be able to secure that profit for the soldier?—Yes, I suppose that would be possible, but I think that the disadvantages so very much outweigh any advantages we should be able to get for the soldiers. Of course if we had a suitable system, we should get the advantage that we should share more profits. That is the only advantage I can put down to the co-operative system—that we should share more profits. I do not see why they should supply you with better articles than the contractor does, and if you have to have a large number of buyers you have to pay for them.

3802. Are you acquainted with the working of workmen's co-operative societies which have a turnover of 70,000,000l. a year?—No, I have never come across them. The demerit of having one head centre and everything coming from that is, that there would be no opportunity of complying with special regimental requirements, and one regiment likes one thing, and another likes another. One regiment will eat Irish butter and another will eat margarine, and so on

through your whole grocery list. Another disadvantage of a big system is that you will not only share the profits, but run the risk of sharing the losses, and when a big concern is buying, it would be very extraordinary if they did not make bad purchases as well as other people, and that would go against us. Then the correspondence would be enormously increased. Another point is, that when you make an adverse report on anything going to a head centre, the person addressed has it in his power to enforce his views. I think that system would never give satisfaction.

3803. (Captain Boehmer.) Do you say that you would rather not enter upon the question of the sergeants' mess at all?—Yes, because I have not thought about it sufficiently lately; but any question you may like to ask me, I shall be happy to answer you if possible.

3804. Has there ever struck you, when thinking it all over, any system by which we could improve the management or tone of the sergeants' mess?—Only by beginning with recruits at the dépôt; working them up to a wholesome tone. You must begin with your recruits, and work steadily up. I do not think you can go into the sergeants' mess and reform it.

3805. You can only begin at the beginning with the morals?—That is so.

3806. Did you ever think of a system of having things put down, as in your or my mess?—I have tried it. The result of it was that the non-commissioned officers came to me and said they did not like it, and the reason they gave was that they never knew how much they had spent. But I suggested, "Look at the day book." They said, "We did not think of that," and at the end of the month they found they had spent all their money in the sergeants' mess.

3807. You have been in your time second in command, I suppose?—Yes, for a short time.

3808. In the sergeants' mess did they obtain their supplies generally through the institute?—I insisted on it. I instituted it myself. They did not like it, and they do not like it now, but I am sure it is a sound thing.

3809. Do you approve of locked tills for sergeants' messes?—No, I would not have such a thing as a locked till at all. I say it is bad education. You must trust the men.

3810. Though you may safely trust the majority, is there not a minority who are always liable to fall away under the temptation of having money pass through their hands?—Yes, that is true.

3811. Is there any way of legislating for those so as to prevent that difficulty?—I never have been able to think of anything. I should have tried it if anything had struck me, but I have not been able to find anything that would do that. Then the sergeants in their mess are just like the soldier in the canteen. They will always make a bit. It is so very easy for them to do it. We have our locked tills, but they are of no use. The sergeant knows that on a certain day you take stock. Then he knows he must have what money he has lent the men. That must be paid by that time, and he pays it in. I have taken stock at unexpected times at the sergeants' mess, and a most extraordinary thing was that you would find an unaccountable profit which I have never been able to get out of them except by taking stock at some odd time.

3812. What are the unaccountable profits?—The unaccountable profits come principally from the wastage of beer.

3813. And that is the only way you have been able to check them?—The only way is by taking stock and counting the money. They think there is nothing dishonest in it. Sergeants have told me, after they have left the Army, about how much they made, and they have told me that what they make just about covered their bad debts and standing a glass of beer.

3814. (President.) On the principle that each man has his turn nobody grumbles?—That is so.

3815. They each have an opportunity of doing their friends?—Yes, and they say it all comes to the same thing.

3816. And the only way we can avoid this is by training them as young soldiers to regard that as dishonest?—Yes.

3817. They do not regard themselves as trustees?—No.

3818. They think these are perquisites; that they would be great fools if they did not take them?—They would look upon anyone who did not take them as an absolute idiot.

3819. As a Quixotic idiot?—Certainly.

3820. (*Captain Boehmer.*) Do you know what the unascertainable profits on the beer sold in the sergeants' mess run to at all?—No, we cannot get it out of them; I have often tried.

3821. Have you ever known an account kept in the sergeants' mess of the trade discounts?—No.

3822. Your experience would lead you to believe that there is a good and substantial profit made by a caterer who chooses to let the money stick to his fingers?—I should say the ordinary regimental mess would run from about 30s. to 2l. a month.

3823. (*Colonel Bridge.*) Do not you think you could put a contractor into the sergeants' mess—to absolutely hand it over to him just as you hand over a canteen under the tenant system?—I should like to try it. I think very likely it would answer.

3824. Would that remove one of the objections?—I think that it would turn it more into a club. That is what we want. We want to make our sergeants' mess into far more of a club than it is. Then we must alter our buildings, I suppose, and add one or two rooms as the case may be.

3825. And you think we should be able to get the non-commissioned officers' tone raised as well as that of the men?—There is no doubt about that.

3826. (*President.*) Improved accommodation is, you think, the root of all reforms?—Yes, it is to a very great extent; you must give properly lighted barrack rooms. You want also to establish what I call a wholesome club.

3827. Would you have a separate club for your non-commissioned officers and another for the men?—No, I would sooner have it all in one in addition to the sergeants' mess.

3828. Would the men care to sit around the same fire with their non-commissioned officers?—Yes, I think they would.

3829. Would the recruit care to fall in with the older soldier?—He would not at first.

The witness withdrew.

Mr. ALEXANDER McLEOD called in and examined.

3837. (*President.*) I understand that you are the secretary and manager of the Royal Co-operative Society at Woolwich?—Yes.

3838. Have you ever had any dealings with the Army canteens?—No, practically none.

3839. How do you account for that?—We have not tried to push our sales on them, and they have not come to us. We have served some of the companies through the canteen a short time with bread. But, as a rule, they want stuff that we do not care to sell, a low class of bread, and that sort of thing. We only make one sort, which suits our members.

3840. You say that the articles required by the Army canteens are of lower quality than you will condescend to supply?—I am speaking of bread particularly. The other things I do not know.

3841. Take groceries, tea and coffee?—That I do not know. I could not speak to tea or coffee, or anything else except bread.

3842. I suppose the Army is the principal buyer in Woolwich, is it not?—No; the Arsenal men are the support of our society.

3843. Is it true you have about 6,000 men quartered at Woolwich?—I should say so. We have about 20,000 in the Arsenal.

3844. But they are civilians, mostly, I understand?—We get our support from them.

3845. I suppose they are members of your society?—Yes.

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3830. Would not the old soldier monopolise all the best posts of the club and freeze out the young soldier?—Not if you had sufficient room. Of course, if you have got only a small room and put into it 200 or 300 men it is different.

3831. What would it cost; take your own barracks?—I have no conception of what it would cost.

3832. You have not gone into that?—Not at all. The War Office have approved of a new arrangement at my dépôt. Outside is to be the beer bar, and I think that is where they have the rooms for entertainment adjoining. Then they have a grocery bar for the issue of the daily groceries, and then they have another grocery bar in the other building, where people can go and buy any small things. Then they have a writing room, reading room, and a room for games. I should be sorry to be understood as giving these particulars positively, but those are what the engineer officer tells me roughly, but that probably will not be done for some time yet.

3833. You do not know what the cost will be?—I have not the slightest idea.

3834. But you think you would get all the cost back?—My own view is that if you only train the soldier properly, whatever his antecedents are, if you only let him lead a healthy, moral, and wholesome life, you cannot beat him.

3835. You are driving him into bad ways by not looking after his legitimate requirements?—Yes; and as things stand now you cannot do it. I do not care who the Commanding Officer is, you cannot do it.

3836. You cannot make a coat without the cloth?—That is so. You do not get them trained at the beginning. These recruits must be trained at once. When they join their dépôt they must be trained. Then they would go gradually on to the regiment, and would be steadily worked on till you reached a much more healthy tone throughout the whole Army.

3836a. Your chief criticism is, that the recruit very soon finds out that his only recreation is the wet canteen?—Yes; though in the summer days he will be out. There is no doubt that the majority of recruits would much sooner go outside and play outdoor games as long as it is daylight. Then his rooms are very dark; and he will not stop in dark rooms. You can improve his condition very much by giving more light in the barrack rooms, and by giving them newspapers and a few games there. I have found this to answer.

3846. Do not the 6,000 men in the Army, quartered at Woolwich, deal with your stores at all?—Not to a large extent, I think. A good many of them are members, sergeants, sergeant-majors, and so on; and they remain members when they have left the country and gone out to India or Malta.

3847. But you do not supply them through the canteen?—No.

3848. Yet I should have thought they would have been very desirable customers for you to add to your list?—They come to our stores and buy direct; those who wish it.

3849. But then, as you are aware, every regiment has its own canteen, which sells bread, groceries, tobacco, and other things they require?—That is so.

3850. But you do not tender for the supply of these canteens?—No, we do not tender. I should say the Co-operative Wholesale Society would be the proper channel to get goods through in that way—the society which we get our supplies from. There would be no use in our putting an extra profit where they could get them from the same concern as we get them from.

3851. You think the Army canteens might be supplied by the Co-operative Wholesale?—Yes.

3852. Supposing an Army canteen at Woolwich wished to obtain goods from the Wholesale Co-operative at Manchester, London, or Newcastle, could they obtain them through you at cost price?—No; if they came to us it would add to the expense. They had better get them direct from the Wholesale just as we

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get them. I do not think it would be an advantage to us to supply them to the canteens.

3853. What society do you deal with?—With the Co-operative Wholesale Society—headquarters in Manchester.

3854. Do you buy all the way from Manchester?—No. They have a London branch.

3855. Then you get supplied from the London branch, I suppose?—Yes.

3856. Altogether?—Yes.

3857. Otherwise the cost of carriage would kill you, I suppose?—That would be so. But we get many things direct. We are in a very large way. We have our butter shipped direct from Ireland, and the same with bacon, eggs, and so on. These come direct to us from the Irish and foreign depôts of the Co-operative Wholesale Society.

3858. The buyers of your butter and eggs from Ireland are wholesale buyers, I suppose?—The Wholesale Society's buyers, and they ship direct to Woolwich.

3859. As a matter of account-keeping, how is that transaction booked?—The invoice is sent on to London and then they keep of course an abstract of the invoice, and that is sent on to Manchester. The whole accounts are kept in Manchester.

3860. Do you pay the Wholesale?—Yes, they send us on a weekly statement of the amount owing, and we pay that statement as a rule weekly—3,000*l.* or 4,000*l.* a week as the case may be.

3861. Do you send your order to the Wholesale for the goods you require?—Yes.

3862. Then they instruct their buyers in Ireland to ship it direct to you?—Exactly.

3863. What is your annual turnover at Woolwich?—Last year it was 376,500*l.*

3864. How do your prices compare with the prices at retail shops?—I should say on the average they would be about the same. Of course, we could not do that large trade if we did not compare favourably.

3865. But then I understand that you return at the end of every quarter a money bonus upon purchases?—Yes, we do.

3866. What is the amount of your bonus or dividend?—We return about 9 per cent. or 10 per cent.—1*s.* 10*d.* in the pound—it was 1*s.* 11*d.* last year. The total profits for the year, interest and dividend, amounted to, I think, 50,000*l.* odd.

3867. As a practical business man managing a large business of this character, do you see any difficulty in applying your co-operative system to the management of the Army canteen?—I should say not, although I know nothing of the internal working of the canteen. Working men can manage large businesses, in fact, the great Wholesale Society doing some 17,000,000*l.* to 18,000,000*l.* a year is entirely managed by working men, and I should say the officers in connection with the Army, in view of their superior education and training, would be quite qualified to develop a system of co-operation for the Army canteen.

3868. You think if working men by their unassisted efforts can run a big business of this character, that the brains of the Army ought to be equal to doing the same thing?—Yes, I do.

3869. (*Major-General Eaton.*) The Wholesale are assisted, are they not, by expert buyers?—Our buyers, of course, have been trained in the Wholesale. Many of them have risen from boys.

3870. (*President.*) They are the servants of the working men?—They are the servants of the working men. For instance, Mr. Benjamin Jones, now in the London Branch, has been manager for 30 years, and he came quite a young man, about 24, from Manchester to London, and he has developed that branch in London, which is doing some 2,000,000*l.* or 3,000,000*l.* a year.

3871. (*Major-General Eaton.*) But you say it is acknowledged by the working men that they could not manage it without their buyers; that they only buy supplies purchased by their expert buyers?—But they manage the buyers. It is all done under their control.

3872. They employ experts to buy?—Certainly.

3873. (*President.*) You think the Army might do the same?—Exactly. For instance, my committee do not

do the buying, but we have buyers, some of whom have been trained up as boys under me during the last 20 years, and now they are expert buyers.

3874. You do not buy yourself, do you, as manager?—Not so much now, I used at one time to buy everything.

3875. The manager buys?—The manager buys, under the control, of course, of the committee.

3876. You have to report to your committee what you do?—Yes.

3877. Do you buy largely from the Wholesale?—Yes, we buy, I should say, 60 to 70 per cent. of our groceries.

3878. And you can go to any market you please?—Certainly.

3879. And if you found that you could get from Messrs. Lipton or Messrs. Dickesons better than you can from your wholesale organisation, in the interest of your own members you would go to Messrs. Lipton or Messrs. Dickesons?—Exactly.

3880. But your loyalty to your organisation will prompt you to deal with the Wholesale, if you could get the goods at the same price and quality?—Yes, of course smaller societies have an advantage with the wholesale, because when we were in a very small way the private wholesale people did not care to supply us. Now, of course, they court our trade. We are, in fact, too much bothered with applicants trying to get our trade. The Wholesale was, in fact, established because private traders tried to boycott the small societies; they were not of much consequence to them. I recollect nearly 30 years ago going to Crosse and Blackwell's for one of their price lists, which they would not supply. I used to do this. I used to be of all sorts of trades; I had a card printed "Grocer," another "Draper," and in that way I could get a price list.

3881. Whereas, if you came as the manager of a co-operative society, they would not supply you?—No. They would not supply the Civil Service Stores, and yet all their shelves were packed full with their goods. The stores got them from another source—through an agent. However, there is nothing of that now. They are glad to get the trade.

3882. Because you are so big?—Yes, indeed I believe they will supply small societies now.

3883. How is it that the co-operative movement, which supplies so large a number of the artisan class, does nothing for the supply of the Army?—I should think it is the fault of the Army; because if they organised and went to our Wholesale Society, they could supply them with practically everything. They could get whatever they required from them, or from any other merchant, no doubt.

3884. What security has a member of your society that the quality of the goods you sell him is good?—We buy the best articles of the kind, bacon, butter, and so on; though, of course, we have to have two or three qualities. The best guarantee a member has is that if we do not supply him rightly and with what he wants he will go somewhere else. We should lose his trade. But, instead of that our trade goes on increasing, and we have more than doubled it within the last five years. Apart from this consideration is the fact that we could have no possible interest in deceiving the members. The store belongs to them, is managed by them through a committee elected from among themselves, and to attempt to trick themselves would be utter folly.

3885. Do you think that security would not exist in the case of an Army canteen in the barracks where the soldier had to go for the goods that he required, because he has not the opportunity, which a member of your society has, who can leave your stores and go to a shop. Can you suggest, therefore, any security which could be taken in his interests?—I should say they should have a committee who had a fair knowledge of these goods, and if a complaint was made it would be the same as with us. If our members do not get things right we have letters of complaint and, of course, the thing is investigated by the committee.

3886. How large is your committee?—We have nine altogether.

3887. They are elected quarterly, are not they?—No, yearly, five retire one half-year and five the following.

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3888. What is the average term of service on the committee?—We have so altered our rules during the last few years that no one can serve continuously on the committee more than three years. He has to have a break off for one year.

3889. Then he may come on again?—Yes, many of them do that. I do not approve of the rule. I do not think it is the thing. A man goes into a big concern, he does not know very much in three years, and he has to leave just when he is getting to know something. I do not at all approve of it.

3890. You think that the members ought to have absolute freedom of choice?—They come up every year for re-election, so that if they do not suit them they have an opportunity of casting them aside, and putting others in their places.

3891. We have had evidence before this Committee which leads us to believe that the principle of offering commissions is pretty nearly universal in trade. Has it been your experience that wholesale merchants have offered you commissions on the sale of their articles if you would only buy them?—No. It has not been my experience at all, and I think very few respectable houses will do that unless they are approached. I do not know what they would do if they were approached.

3892. You think, as a rule, if a man offers a bribe it is the fault of the person who receives it; that he has shown he is willing to accept it?—That has a good deal to do with it.

3893. (*Captain Boehmer.*) Who chooses the people who are employed in your society at Woolwich?—I do, and the heads of our various departments. If we want a young man or young woman we advertise; in fact there are plenty who leave their names, and if we have an opening we communicate with them. Then, of course, whenever the head of a department—drapery, boots, grocery, bakery, or whatever it may be—wants a hand, we appoint a time to see the person with the head of that department.

3894. If goods ordered in bulk from the Wholesale Society happen to go bad or perish while they are with you, is that at the loss of your society?—Certainly; unless they went bad very quickly. But that is a thing which very seldom happens with genuine goods.

3895. It is very seldom it happens?—Very seldom. If we buy 500 cheeses, a few of them may not turn out just what they ought to be; but you have to risk that in trade. You may have to sell them 1d. a lb. cheaper or something like that. You cannot guarantee that every cheese will turn out the same.

3896. (*President.*) I am informed that your average weekly trade at Woolwich during the last six months has been 6,255l. ?—Yes.

3897. And if you could add 6,000 to your list of members you would be doing a very good thing for your society?—I do not know about that. I think they would do better by forming an association of their own, apart from ours, and buying goods from the same stores that we get ours from.

3898. If they adopted that plan they would work upon the same principle that you do, which combines all the advantages of a highly centralised system with the freedom of decentralisation?—That would be so, if they had a large affair to supply the canteens, not only at Woolwich, but all over the country.

3899. There would be nothing to prevent them getting their eggs and butter from Ireland through the same buyer that you do?—Not the slightest.

3900. And by the same arrangements with the Co-operative Wholesale?—Yes.

3901. Have you found that the Co-operative Wholesale, with whom you deal for this purpose, has met your requirements to your satisfaction?—Generally so. You see they do such an enormous trade they must give general satisfaction, or they would never after 30 years do a trade of some 17,000,000l. or 18,000,000l. a year.

3902. You think the Co-operative, owing to their enormous purchases, can do better than any other trader in the market?—Yes; I believe, generally, they can. You see, they have had buyers in New York buying produce for the last 30 years nearly; another in Canada. They have one in Australia, five or six in Ireland buying in different localities. We have our own creameries in Ireland now making our own butter. We have, I should think, somewhere about 40 or 50 creameries; perhaps more.

3903. I wish you would explain to the Committee how the members of your Woolwich Society secure the profits made by the Wholesale upon their wholesale business?—The Wholesale share their profits out in the same way as we share ours out to our members. That is to say, supposing they made 40,000l. in the half-year, that is shared out at so much per pound, the amount received by my society being at the rate of about 2,000l. per year.

3904. That is divided among the societies in proportion to their purchases?—Yes, so much in the pound, the same as we do.

3905. After 4 or 5 per cent. has been paid on share and loan capital?—Five per cent. on share and 3½ per cent. on loan capital—that is to say, on exactly the same principle as the retail society. For some years now—I think two or three years—they have returned 4d. in the pound, of course they do not go in for making large profits. They, however, make some profit, for they must have a margin or they would be apt to have a loss.

3906. Then assume that a private trader makes 10 or 12 per cent. upon the capital that he requires to supply the Army canteen you think the Army is doing its business upon bad terms, because it is losing the difference between five and 10 per cent.?—Yes.

3907. The percentage which might, by a similar organisation to that which you have successfully employed, be saved to the soldier?—That is so. And besides the profits we distribute, we allot about 1,000l. a year for education—for our library.

3908. In addition to the 1s. 10d. to 2s. dividend on purchases, you apply 1,000l. a year to educational and charitable purposes?—We have just bought a very nice hall; it was a chapel, we bought the freehold of it for 2,000l. and we have laid out about 700l. upon it, and have refitted it. We have rechristened it "The Co-operative Institute." We have lectures there two or three times a week.

3909. Does that serve the purpose of a club to your members?—Not exactly, we do not use it as a club. We have our conferences or other meetings every week, then after that we have tea, and perhaps have a lecture in the evening or a concert, and so on.

3910. (*Major-General Eaton.*) What constitutes membership?—By paying 1s., and 6d. for a copy of the rules, they become liable on two 1l. shares. That constitutes them as full-blown members, and they come to our meetings after they have paid the shilling and vote and take part in the management of the business. And that has never been abused, though you might think some people would come in in that way and because they got in so easily might abuse the privilege, but we do not find it so.

3911. (*President.*) You say there is a liability of 2l., less 1s. ?—Yes.

3912. Is that an onerous liability; does he ever suffer from it?—No. He can pay it up as he likes, or he can let it remain, and the profits go to make up his two shares.

3913. The profits on his purchases go to meet his liability, so that he is never called upon?—He is never called upon. Of course, he is liable.

3914. (*Major-General Eaton.*) Suppose you started a military co-operative society, making each soldier liable for two 1l. shares; then in the event of it not being a success each soldier would be liable for the amount that would be deficient?—That would be so; of course, if he signed for two shares he would be liable for that.

3915. Do you think it would be possible to ask a soldier, who joins for three years, to be liable for 2l. ?—No, I do not think it would be. But would it not be possible for the regiment to become a member of the Central Association?

3916. (*President.*) In many co-operative societies one 1l. share is all that is required to make a member?—Yes, that is so.

3917. Why have you got 2l.; is it not unusual?—No. Some of them are 5l.

3918. What is the lowest qualification for membership?—In some societies only 1l. According to our rules we can modify this. Some people, if they get out of work, or have sickness in the house, want to withdraw this money, or a part of it. Then our rules state that the committee have power to make other

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arrangements with the members, and can reduce the amount below the 2*l*.

3919. If a man is in difficult circumstances, and he goes to you and wants to withdraw his 1*l*. 10*s*. out of the 2*l*. he has paid up, you let him do so?—Yes, or if he wants to withdraw it altogether he gets it back by giving two days' notice.

3920. So that, practically, you act as a savings bank to the working man?—Yes. Last week, a short time after dividend-paying time, we had 3,000*l*. in contributions paid in, and about 1,800*l*. withdrawals. They practically make it a savings bank, as you say.

3921. Is your practice for every member who makes a purchase to receive a ticket, stating the amount of money that he has paid?—Yes.

3922. Would you see any difficulty in doing that in the case of the private soldier in the Army canteen?—I do not see any difficulty about that. If he gets 1*l*. worth he takes them to the canteen, just in the same way as they bring them to our office, and he gets a ticket representing 1*l*., and every six months they bring in what they have got.

3923. You have a ticket system?—Yes.

3924. Then it does not involve much book-keeping?—There is a good deal of book-keeping.

3925. Would not that extra book-keeping be difficult in the case of a regiment?—I do not think so. There must be some system of book-keeping now, and that would be organised, perhaps, without very much more labour.

3926. (*Major-General Eaton.*) You do not sell beer?—We do not.

3927. But that is just where the difficulty would come in with a military canteen. When the men are going on parade we have 60 or 100 of them running down for a moment to get a pint of beer. How are you going to give them tickets? You would want an enormous system?—We have our place crammed full of buyers on Friday night and Saturday night, and we do not find any difficulty.

3928. But they are not tied to a moment like a soldier going on parade is?—No, I understand there may be a difficulty there.

3929. (*President.*) I suppose you would say that the supply of drink is a different thing from the supply of groceries?—That would be so, and of course we have had no experience of that.

3930. But there would be no difficulty in giving the man his ticket when he buys some dry goods over the counter, although it is not necessary to give him a ticket at all when he buys a glass of beer?—That is so.

3931. The profits on the canteen would go to the regiment?—That would be so.

3932. And the profit on the dry goods would go to the credit of each individual man in proportion to his purchases?—That would be so.

3933. You do not see that there ought to be any difficulty in carrying that out?—No. But why should not the whole profits go to the regiment, and be divided amongst themselves?

3934. On the dry goods as well as the wet?—Yes.

3935. Is that what you would recommend as a practical man of business?—It just occurred to me now that it might be possible to do that, only perhaps, if they began to share it out, some might get a share of it who had never purchased at all, I can see that difficulty.

3936. And also that the sergeants who come to your stores and trade with you would be more inclined to go to the Army canteen if the bonus was in proportion to their purchases?—Just so—it might be so.

3937. (*Major-General Eaton.*) Provided the goods were as good?—Yes.

3938. (*President.*) I suppose you have a large number of ex-soldiers who are members of your society?—A large number; yes. A good many of them are employed too.

3939. Do any criticisms as to the management of their Army canteens come to your knowledge?—None whatever.

3940. You never heard it discussed?—No.

3941. You hardly knew that there were any canteens, I suppose?—I only know there are canteens in Woolwich, but I have never been in any of them, except one, and that was a good many years ago.

3942. In fact you are so prosperous with your 376,000*l*. turnover, on which you are dividing a profit of something under 10 per cent. that you do not care very much whether you push your trade or not?—Oh, yes, we do; but we have never attempted to push it in the Army.

3943. That is true in every part of England?—I think that is so.

3944. That is what I want to arrive at. Why is it that the Army is the only section of the population which the co-operative movement has not approached?—That I cannot say.

3945. You think the fault lies with the Army?—I daresay it is the fault of the Army, because I think they can get well supplied through our co-operative concern with genuine goods. I know the system of bread-making is bad in the Army.

3946. You have criticised the bread sold through the Army canteens as being bread of an inferior quality?—Yes.

3947. Col. Barrington Foote, the secretary of this Committee, informs me that he buys this Army canteen bread in preference to any bread that he can get from the baker?—I have been told that in consequence of the unpopularity of the bread, there is enormous waste.

Adjourned to Friday next at 11 o'clock.

SEVENTH DAY.

At the War Office, Pall Mall.

Friday, 18th April 1902.

PRESENT:

THE EARL GREY, *President.*

Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE.
Colonel J. A. LAMBERT.

Major L. A. M. STOPFORD, D.A.A.G.
Captain BOERMEER.

Colonel BARRINGTON FOOTE, *Secretary.*

General Right Hon. Sir REDVERS BULLER, G.C.B., G.C.M.G., V.C., examined by the President.

3948. We are aware that you have taken very exceptional interest in the canteen question for many years. I will, therefore, ask you to make any state-

ment you think would help us in our inquiry?—I have never seen the reference to the Committee, and do not really know what your inquiry is. I would

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rather you would ask me questions on any given point. Otherwise I might go altogether outside the terms of your reference.

3949. You are acquainted, I have no doubt, with canteens managed on the tenant system and on the regimental system?—Yes, I have had considerable experience of both. I may say that I was, I believe, the officer who was most active in promoting the change, or the passage I might rather call it, from the regimental system to the tenant system.

3950. Will you kindly tell us why you prefer the tenant system to the regimental system?—The regimental system was a very good system, in my opinion, so long as the officers in the Army generally understood nothing about the manner in which the real profits made in the canteen were obtained. But when once they had arrived at that knowledge, and had found out accurately the extent of what are well known in the Army as “unaccountable profits,” I think the continuance of the regimental system was an unmixed evil. For these reasons. It withheld from the ranks of a short-service Army a very considerable number of very intelligent men. It threw upon some of the more active, and generally the best officers of the battalion, very uncongenial, and, I think, improper work. To take away two officers for a certain number of hours every week merely to count coppers in canteens, when you can get it done for nothing by a trader as part of his own business, is, I think, a wrong thing to do. But worse than that: the management of the canteen under the regimental system passed, and necessarily passed, entirely into the hands of the canteen manager; and canteens generally became hotbeds of malpractices. It was impossible for an officer, having regard to the system of discipline in the Army, to sit in the canteen or to be in the canteen at the time the trade was going on. So that there was no check at all on the manager, who could give short measure of beer and generally could make use of those tricks that are so well understood by managers who wish to make money out of a proprietor's profits. And this evil in the canteens in the Army increased year by year. There were more and more cases of court-martial for fraudulent practices; and, what to my mind was the gravest evil of all, was this: that the canteen trade was being driven into the hands of a very low class of merchants. The better class of merchants, and some of the better class of brewers, would not supply canteens, because they had no appeal, against unfair treatment of their goods. I have known instances in which butter has been put in the sun, and then brought before the canteen committee, and it has been said: “Look at the kind of butter this man is supplying.” I have known instances in which beer has been rolled, and then it has been said: “We have a new brewer; look at the kind of beer he supplies.” This sort of thing was constantly going on, and under the regimental canteen system there were no means of checking it unless we made a very great alteration in our regulations as to the relations between the officers and men.

3951. What you have said leads one to suppose that unless it was first made the interest of the canteen manager to sell a person's goods, he would damage them in order to suggest that they were unfit to sell?—That was so. The whole thing then became a system of bribery. There was one case in which a man, unfortunately for himself, left his note-book lying about, and they found entered in it the sums which he had paid to different persons. He entered in his note-book the moneys he had given to each one.

3952. In your opinion it is undesirable in the interests of discipline that a man who enlists as a soldier should be turned into a canteen manager?—It is undesirable in the interests of the Army that men who are being trained as soldiers should be taken from their duties to be instructed in the trade of grocers; and, on the other side, from a moral point of view, it is, I think, most undesirable that any man should be put in a position of trust without proper supervision; and that was the position of the canteen managers. There was absolutely no supervision; and there could be none.

3953. Were not the officers supposed to supervise?—They were not supposed to supervise those details. The canteen was full of men, and you could not put an officer in the canteen, it would not be his place.

3954. Was it not possible to check that increase in the unaccountable profits by any method of manage-

ment?—Not by any supervision we could devise. It was not a case of increase of profits.

3955. Do you suppose that brewers are robbed in much the same way?—They always try not to be robbed. There is a public-house to let; a brewer says, “I will give you 150*l.* for that as a tied house.” He then lets it to a man at 80*l.*, but he says to his tenant, instead of paying 36*s.* for beer, you shall pay me 48*s.* Then he may sell as much as he likes. That is the way the brewer makes his money. Then what happens? Nine times out of ten the man plays tricks with the beer; that is the way he makes his money. With regard to the management, I believe the rock to get on, if you want honesty and fair play and an honest platform to stand upon, is open competition. That is the first thing, open competition. There must be no humbug about this particular co-operative society or that particular co-operative society or co-operative societies generally. As sure as you depart from the principle of open competition, and close the door of safety that open competition gives you, so to a certainty will you get a reduction in quality. Let me take a parallel case. Why is it that in this war that is going on now, we have had none of the bent bayonets or the swords that broke, or the guns that burst, or the shells that will not go off, which we had in the war we had in 1854 and 1855? It is because we have got a system of inspection, and the standard is kept up by inspection.

3956. Why could not that apply to your canteens?—That is what I want to do. I say, if the War Office is part and parcel of the supply, then you cannot have inspection. That has always been the difficulty with our clothing in the War Office; because the inspection and the manufacture of the clothing have been the business of the same department.

3957. You suggest we want decentralised management and free competition, with rigid inspection, in order to secure the best article?—Yes, and inspection quite independent. So long as you have an effective system of inspection, so long will you get good contractors to come in and take your canteen trade, because they will have somebody they can go to. But under the regimental system they must go to the canteen manager.

3958. With regard to the question of bribery, which we understand from evidence given before this Committee is practically universal throughout British trade, do you think there is any method of checking it unless you make it a penal offence for a man to offer a bribe?—When you say “penal offence” that raises a legal question, and I am not prepared to give you an opinion on that.

3959. The man would run the risk of being imprisoned if he offered a bribe, and the offence was brought home to him?—I do not think there is any way of securing a good article at a fair price except by open competition and inspection. By those means you will do it, and only by those means.

3960. You think it can be done without the assistance of law?—Open competition will give it to you. But you must remember that with open competition there is always this danger, that there is a constant tendency to cut rates, and your standard of quality will be steadily lowered unless you keep it up by an outside system of inspection. That I believe to be undeniable.

3961. What security will you have that the inspector would do his duty. Whom would you appoint as inspectors?—You would have to have trained inspectors.

3962. Highly paid?—No, I do not think so. Say that you have a group of 20,000 men, the profits of their canteens would amount in the year to about 40,000*l.*, and about 1 per cent. of that, or 400*l.*, would pay an inspector. I think the canteens would well bear the cost.

3963. About 2*l.* a man is the net profit?—Yes, about that, roughly speaking, on the year. I have perhaps put it a little too high; perhaps I ought to say 35,000*l.* But it is impossible to find out exactly what it is. I do not know whether you have seen the several letters which I have written on the subject. I did once make a very determined effort to find out what the consumption of beer per head was; but it depends upon so many factors. It depends partly on the regiment. An Irish regiment in England will drink more beer in the canteen than an Irish regiment in Ireland, and old soldiers drink more beer than young soldiers. But one

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rule holds good, the more pay a man has the more he spends in the canteen.

3964. Is it your experience that the practice of drinking has increased or decreased lately in the Army?—Decreased.

3965. It has been said that young soldiers are good eaters but bad drinkers, but that they very soon learn to drink?—Good eaters; yes. But the profit remains about the same, because the profit from the grocery bar supplements any falling off of drink in the canteen.

3966. But it is the habit of the young soldiers to spend more money in meat than in drink?—Yes.

3967. But how long does it take him before he becomes a drinker?—I do not think there is nearly so much swilling as there used to be. I know that in 1864 I was adjutant of a battalion. It was in the very early days of canteens. I believe we had the second canteen there was in the Army then. We did everything we could to make the men comfortable. The men stayed in barracks; they were extremely well behaved, none better. But once I had a check roll called at 12 o'clock at night, and two-thirds of the men were drunk. They had got full of beer and had laid down and gone to sleep. I do not think you would find that proportion now, although you would find a good many men who had just got to the barrack room and gone to sleep.

3968. I think you stated in the early part of your evidence that you were opposed to any co-operative society?—I am not opposed to a co-operative society supplying the canteens, but I am strongly opposed to such a society undertaking both the supply and the distribution.

3969. (Major-General Eaton.) Like the clothing department at the War Office?—Yes.

3970. (Colonel Bridge.) Or to a monopoly?—Yes; I want to be clear on this point. I used the word "co-operative" in the sense I understand it, which is that everybody connected with the whole thing takes a proportion of the profits which are made in all the different branches of the society. That is what I am opposed to as applied to canteens, for I do not believe it will work to their advantage.

3971. (President.) That is a fair description of the Workmen's Co-operative Society. I do not know whether you are acquainted with it?—Yes, I have taken a good deal of interest in co-operation.

3972. You do not think that the principle which has been so successful with the artisan class could be successfully applied to the management of your canteens?—The circumstances in the two cases are not analogous. Then you used the expression "so successful." I should be inclined to qualify that; I should like to leave out the word "so"; it has been successful, and it has also been very unsuccessful. Where co-operative societies have been successful, they will, I think, be found to have been in a position where all the local circumstances make co-operation simple. But with Army canteens the conditions are all against that. We have to carry on our canteens under all sorts of differing conditions, in different climates and in different places. And we must have canteen managers, and how are we to ensure their all being honest co-operators? Therefore, I do not think that co-operation, pure and simple, would be successful in the Army. The sort of co-operation that has been uniformly successful is the great co-operative store where the consumer secures the advantage of co-operation by obtaining what he wants at a cheaper rate.

3973. You would not object to that system of co-operation being applied to the Army?—I should ask you to define what you mean by "that system." I would object to a system which calls itself co-operation, but which merely meant the putting of the trade of the canteens into the hands of one favoured body. I think that would be disastrous to everybody.

3974. Suppose your Army canteen, or the authority which is responsible for the purchase of the articles sold in your canteen, is perfectly free to purchase wherever they please, from Lipton, Dicksons, or from the Co-operative Wholesale, what would you say then?—What do you mean by the Army canteen?

3975. The regimental canteen or any canteen that you have for any individual unit; you have a large number of canteens in the Army?—Yes.

3976. Now if they can buy from any source they please, do you think it might be possible to organise some society which would undertake to supply them with the goods they required on the co-operative basis; by which I mean that after a small percentage had been paid upon the share capital required to run this organisation, any surplus profits that might remain should be divided between the canteens in proportion to their purchasers?—It would be possible, but I should deprecate it in every possible way.

3977. I am not suggesting any compulsion, but perfect freedom of choice?—We have had a very good instance in the Canteen and Mess Co-operative Society. No society could have started under fairer auspices, and, in a way, I may truly say no society has ever done more good in a short time. But it has ended by reducing itself almost to bankruptcy.

3978. We have not yet had evidence before us upon that; do you know this personally?—No, but I have been told so.

3979. But you say from your own personal experience that no society has done more good in a short time?—No society has done more good in a short time. I should very much like to see the society, if it is true they are short of money, wound up at par by a general charge on the canteens of the Army, because I think we have had the full profit. But still I am satisfied the thing was never workable. Then you must remember that that society has had, I will not say unfair advantages, because I do not want to imply anything wrong, but it has had assistance that it had no right to have. It has had the help of officers in the Army, and it has been run in some directions with assistance from the disciplinary side of the Army, which I do not think any society, holding itself to be co-operative, was justified in getting.

3980. But does not your statement that no society has done so much good in a short time justify that exceptional system?—I do not think so. The end sometimes justifies the means; but very seldom in a case of this sort. What it really did was this. It did set a standard of endeavouring to run canteens on the tenant system in a fair manner. Had the Canteen and Mess Co-operative Society not been in existence I do not think I should have been able to have handed over the Army Service Canteen, which was the first that was ever given to a tenant on the system now known as a tenant's canteen, on as good terms as I did. It was owing to that society, and the introduction of tenants' canteens into the Army on the present favourable terms is, I think, largely due to that society. But the fact remains, and will always remain, that being a close society only to supply canteens, it will go to bankruptcy. It is certain to go to bankruptcy, because there is not enough volume of profit from canteens to keep the business afloat, and it must either trade at a loss or reduce the profits claimed by canteens, and which they can secure elsewhere.

3981. The moral results are good then, but the financial difficulties are so great that in your opinion it cannot work?—In my opinion it is obliged to run under conditions which make financial success impossible.

3982. But if it could be worked successfully on business lines you would be in favour of it?—But it cannot be worked on business lines, so long as it remains a truly co-operative society.

3983. But if it could be?—Then I should include it among the business concerns to which I would offer the canteen trade in open competition.

3984. Although it does so much good morally?—I want to be clear on this point. I have said it has done, and it has done, a great deal of good. But as a machine it is a bad machine.

3985. Perhaps it might be capable of improvement?—Never. The tendency of such a thing as that is this, that you lose a large mass of profits which keeps all these things solvent. I do not know if you have ever done so, but I have gone to see the managers of some of the largest of the supply associations—Lyons, Spiers and Pond, and so on; or I will take a firm which is rapidly getting hold now of the canteens. What are their profits? Their profits are wholesale profits. Now the C. and S. Co-operative Society to a great extent loses the wholesale profit, because they have not a big enough volume of trade in places where they supply canteens to do the work themselves.

3986. But if this suggested organisation was affiliated to the Co-operative Wholesale Society, would not that

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meet your objection, because there is no society in the kingdom which has anything like the turnover of the Co-operative Wholesale?—Then why should not we go direct to the Co-operative Wholesale; or why go to that at all, why not employ a firm that will buy wholesale itself?

3987. Are you aware that the sugar sales of the Co-operative Wholesale last year amounted to over 1,700,000 lbs.?—I was not aware that that was the figure, but I was perfectly aware that their sales were very large. I am also aware of a fact, which I think you rather omitted to consider in this matter, and that is, that our distribution is small. The difficulty we have is in the distribution. You get a single battery; it marches into Aldershot; it comes for three weeks for a field day. It gets into a camp. It wants to have put down in that camp a canteen. Now there has to be somebody to do this, and it must be done by somebody with a very large staff. You therefore always have to have a large man in the catering business, and the two principal men are Dickeson and Lipton. They undertake that. They also undertake to cater for militia regiments and volunteer regiments for a 10 days' camp. You see there is constant change.

3988. Is it not possible to draw a distinction between permanent canteens and these exceptional canteens on active service?—I am not referring to canteens on active service.

3989. A field canteen and a camp canteen are two very different things. The camp canteen is a stationary permanent organisation for the supply of a body of men quartered there; the field canteen is for manoeuvres, is it not?—But I do not see why they are to pay more in one place than in the other. The essence of good canteen management is that the men should get throughout the whole of England practically the same goods at about the same price.

3990. But the point we are discussing is, whether it would not be possible, by putting up a co-operative society from which your canteens could purchase the goods they require, without being compelled to go there, to save for the soldier the tenant's profit?—You will never save for the soldier the tenant's profit, because the tenant's profit, if it is properly managed, is nothing but the wholesale profit.

3991. What do you consider that to be?—I could not say, but I imagine it would come to somewhere about 10 per cent. of the turnover.

3992. The Co-operative Wholesale Society, which has a turnover of 20,000,000*l.* a year or more, is content with a profit of 3½ per cent. on its loan capital, and of 5 per cent. on its share capital; and the loan capital bears a very large proportion to the total capital. So that you are saving there between 5 per cent. and 6½ per cent., which is the difference between that profit and the contractor's profit?—I can hardly, across this table, follow you into that point. I should have a good deal to say about it if I wanted to argue the thing out. But you are taking the most favourable conditions on one side. That is their profit; but Dickeson will say he only gets a wholesale profit, and for that he undertakes the whole of the purchase, supply, supervision and distribution. Now, your Co-operative Wholesale do not do anything of that kind. You have to fetch and distribute the things. So that really the 5 to 4½ per cent. they take is a dead loss to the soldier. And that, I believe, is the crux of the whole situation; the Canteen and Mess Society cannot compete with a merchant in a large way of business, because they do deal with the Co-operative Wholesale, and so lose the profit which the merchant secures.

3994. Mr. Dickeson's representatives have been here and have given us evidence which leads the Committee to believe they are making from 10 per cent. to 12 per cent. on their capital, after all working expenses?—I am glad to hear it. I took a shot and said 10. I know something about Dickesons because they were good enough to tell me about this business. Sometime ago they took the contract for the Western District. The General Officer limited them to canteen trade only, and they lost on the year, 1,600*l.*, and they gave it up.

3995. Do you remember what rent they were paying?—I do not know.

3996. Because there have been some very high figures given lately?—Of course the figures have gone up. The original price was 2*s.* 8½*d.* per man per month. It has gone up now to 4*s.* But then the grocery bars

have come in. However, I was only giving this by way of illustration. Dickesons also took the North-Western District—all the canteens. They had a centre at Liverpool, and they kept their main stores there; and they did the whole of their embarkation work, what they shipped abroad, and the whole of their Irish trade, through the Liverpool centre; and that centre, practically for nothing, looks after the North-Western District canteens. So that they can afford to undersell almost anybody in that district. I do not, myself, believe it is possible (and I have looked into the matter more than a little) for anybody, however economical their management, to run canteens alone as a paying concern. The immense amount of detail that is connected with the smaller canteens, and the close supervision which the management of all canteens want, make it essential, I believe, that, in order to keep the thing going, the man who is running it should have a considerable trade besides.

3997. That is quite independent of the loss suffered by the canteens now from unaccountable waste?—I do not think that there is much loss now from unaccountable waste.

3998. Do you think that now you have honest management?—You let it to a man who will not give you the full profit that you might be able to get by very strict management. But there is no loss. You have your rent, and that is an assured and certain amount. So that I do not call it a loss. It may be that we have not yet screwed our contractors up to the highest amount of profit that they can fairly give; but I imagine we have now got up very nearly to as large an amount as they can give without reducing the quality. The two great points you must consider are the quality of all the groceries and the gravity of the beer.

3999. With reference to the question of inspection for quality, would you have an expert civilian grocer to inspect, or an ordinary officer?—I would have a trained inspector, a civilian probably would be preferable.

4000. Would it be a commissioned officer or simply an ordinary civilian engaged?—As I said, personally I should rather be inclined to favour the appointment of a civilian. I think at first you would find that impossible; there is not enough knowledge in the Army as to these matters, there is rather a feeling against civilians, and I think you would find it better to train an officer. It is very easily done if you limit the number of articles which he is to inspect, because the quality of many of these things depends entirely on analysis, and that is done for him. They have only to take the sample and get it analysed. I may say that I started inspection in the Army for meat, and I found that by sending a man round for a fortnight with the medical officer of health in London he learned enough to be able to go anywhere, and every butcher accepted his decision without question. We never have had our inspectors questioned. In fact, I have been told both by representatives of Lipton's and by representatives of Dickesons that they have never had the slightest cause of complaint. They thought, indeed, on one or two occasions that some of the inspectors had been rather hard upon them; but they have never complained of the justice of their decisions.

4001. Having got your men to the point of being able to judge of so many different varieties of things as in the whole of the grocery business, would it not be advisable to keep him steadily at that work instead of transferring him from that work to military duty?—If you cannot train more men, yes; but I would far rather send him abroad, because his knowledge would be useful. Then you must remember that though these canteens are all very well, if you swept away the canteens to-morrow you would still want your Army. The Army is the thing you have to consider.

4002. (Captain Boehmer.) One question closely connected with the canteen is the question of the sergeants' mess. Your experience leads you, I presume, to recognise that many irregularities occur in many sergeants' messes?—I am afraid that is so.

4003. Is there any system which you have ever thought of which would avoid or mitigate the abuses which do occur. As the question is so intimately connected with the question of the canteen supply, the Committee are trying to find out whether the application of any kind of tenant system, or any other system, would mitigate the evils?—I can only give you my own opinion. I do feel most acutely the present state of the sergeants' mess. I believe that a good many of

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them are certainly nothing much better than drinking shops, and I—and I know a great many other officers in the Army feel with me—would be very glad to try and remedy that. But it is a very difficult question to approach. I have thought over it a great deal, and I have always had the idea I should like to re-organise sergeants' mess altogether, and try and do something in the way of a tenant system, instead of the catering system that they have got now—the material that they buy coming from the canteens; in fact, to have a sort of canteen bar in sergeants' mess. It is a very complex subject, and I could not discuss it here. But there are a great many things one would like to see altered.

4004. (*President.*) You would suggest taking the management entirely out of the sergeants' hands?—Not the management so much as the supply and distribution.

4005. (*Colonel Bridge.*) Was not the tenant system started in the Army Service Corps?—Yes. That is the largest mess at Aldershot, and that was my little flutter to try what I could do.

4006. (*President.*) Will you give the Committee an expression of your opinion on the whole question of the sergeants' mess?—I think the remedy for the present state of the sergeants' mess is to be found in the institution and extension of a really good system of tenant canteen.

4007. We have had a good deal of evidence before us pointing to the fact that insufficient arrangements for the recreation of the soldier practically drive them into the wet canteen, and that the root of reform would be better accommodation for the men, greater attention to their comfort, more club room, and so forth; I should like to have your opinion upon that point if you will give it to the Committee?—I should say as an abstract statement that is true. But when you want to look for the remedy, it is much more difficult. The real fact of the matter is this, that the money which is available every year for the necessities of the existing Army is always insufficient. We have always been behindhand. The finance of the Army is invariably like the man who gets up an hour late for an engagement, and so was an hour late all day. We have never had a comprehensive system which set a standard to which we were to aim, and then completed the barracks up to that particular standard. The moment we have got a standard, or think we have got a standard, in comes a new Secretary of State or a new somebody else, and an entirely different idea is started: and the excess money, as I may call it, on the mere bare housing of the men is diverted from the old scheme to the new scheme, and consequently we get a patchwork system. I may take an instance now that has been going on for nearly 20 years. There was a persistent and really a definite effort made to improve the standard of canteens; and recreation rooms, and coffee bars, and corporals' rooms were given as additions, and temperance rooms were provided. The idea was that the best thing you could do for the soldier was to provide him with comfort and a decent club in the barracks. Then there came a change; an idea was put forward that the thing the soldier wants is a cubicle—which is an enormously expensive thing—and money was diverted for the purpose of providing cubicles, and presently somebody else will change that to something else. That is the great difficulty in the Army. If I may be allowed an illustration: Army reformers are always changing their fox, and that without waiting to see if they have got all the hounds up.

4008. How would you enable the soldier to express his opinion as to how they should be spent. The evidence which has been given before the Committee leads one to believe that the average soldier does not care at all how his canteen profits are spent, and takes very little interest in them?—He does not know of them, or care one bit if you give him bread and cheese on a field day, and I think it is better that he should not.

4009. But how are you to give him an interest in the management of the canteen profits?—I would not give it to him at all. He does not want it. I would do the best I could for him. If you do that he will like you all the better for it.

4010. You think it is hopeless to interest him?—I would have a small committee constantly sitting, and let them decide how the comfort of the soldier can

best be systematically promoted. The members should be colonels and quartermasters, but no one battalion should find both. If we had been allowed to do that 20 years ago we would have had hot water in every barracks, nice armchairs in the recreation rooms, seats and shelters all over the barracks, and all sorts of comforts which would have kept the soldiers in barracks.

4011. What has stopped you from having those benefits?—Because there has always been a theory amongst some people (I have never agreed with it, I am bound to say) that the profits of the canteen are the soldiers' money, and that, therefore, you must not spend it on anything which by any argument you could say the public ought to provide. In England we are in the habit of renting houses, and we know that our landlord ought to provide a great many things; but when he will not provide them we provide them ourselves, and the soldier is in exactly the same position.

4012. Assume that it is a national duty to provide buildings for club purposes and so on, but assume also that the money is not forthcoming from national sources, would you think it justifiable to borrow money on the security of your canteen receipts, which would mean that a portion of your canteen receipts would have to pay the interest on the loan required to enable you to provide for the club requirements of your members?—I should say that such a loan would be indefensible, and I would not allow it. There is plenty of money without borrowing it. It should be done gradually.

4013. Would you do it out of revenue?—Out of revenue.

4014. Could you put up a building which would come up to your standard of a soldier's requirements out of revenue?—When you come to put up large buildings, that, of course, involves great expense. My view is this: the Government ought to do what the Government are beginning to do. They ought to pay the soldier properly, provide him with such things as they say they will provide: Then the more you increase his pay the more he will spend in the canteen if it is properly managed, and the money will keep on going round, and out of that it is quite right that he should be expected to pay for certain things to increase his own comfort.

4015. Does not the regimental officer have full control as to the appropriation of these canteen profits?—No.

4016. Who checks him?—Somebody at the War Office. There are all sorts of theories and regulations; but certain things you know very well you cannot do.

4017. Would you advocate every regimental officer should have a free hand as to the allocation of the canteen profits?—No, I would not have the regimental officer have a free hand, because he might know nothing about it. I would have a committee who should say what the system should be.

4018. You say if the canteen profits had been administered in the way you think they ought to have been, the comfort of the soldier would have been very greatly increased, his barracks better lighted, he would have had hot water, a comfortable armchair as I understand, and all the comfort and dignity of a club? Yes, I do say that.

4019. Now I want to ask you how is that to be done?—It is to be done by a judicious expenditure of the enormous profits of canteens.

4020. Who is to decide what is judicious expenditure?—The General Officer Commanding in the district would be the man to decide. But you want first a system; and we have no system.

4021. Can you give us a system?—I say I would have a committee. The committee need not be actually serving men, but they should be men who have been colonels of regiments and quartermasters. Those are the men I would select my committee from. I would let them consider what they would recommend. Then let that be forwarded to the districts. Let the districts report and do what they can in providing these things for the men. And so it would come. In a small way this has been already done. When we began giving the larger rooms attached to our new canteens, I found that there was a general desire on the part of every Commanding Officer that they should have stages. They wanted a stage. Now, if you multiply a certain number of things by a large factor, it comes to a very

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large sum; and the Secretary of State said No, we will give those rooms, but the public will not provide the stages.

4022. That is to say the centralised authority came in and stopped it?—He said the public will not pay for it. I said, I am quite content to take that decision if you will allow me to provide the stages. Then I made it a *sine qua non* that every regiment in getting into one of these new rooms without a stage provided for the theatre was to put one in out of their canteen funds. It costs about 50*l*. I think, and the General Officer was to decide the proportion that was to be paid by the next incoming regiment to the outgoing regiment. So the cost was spread over 10 years. I said to the Secretary of State, All I will ask you to promise is that if by any accident there is no incoming regiment, the public, *pro tem.*, will bear the expense, so that the outgoing tenant will get his money and go away. He undertook to do that, and as far as I know since that there has never been a question about the stages.

4023. I understand your system would be to protect the profits from being administered at the caprice or will of an individual regimental officer, and that you would practically pool your canteen profits, and bring them under the control of the General Officer Commanding, assisted by a committee?—Yes, I would pool them for the benefit of the soldier.

4024. Where would the regimental officer come in; because the evidence before this Committee has led one to believe that the interest of the regimental officer in his canteen is proportionate to the control he has over the profits; and if you take away from him the administration of the profits and hand it over to his superior officer, will he take the same interest in his canteen?—Under the tenant system that does not matter. But I disagree with that argument. Most officers take an immense interest in the comfort of their men, and will, I believe, do so more than ever under such a system as I indicate.

4025. But the rent which a tenant gives is handed over to the regimental officer, is it not?—Yes. It is shown in the canteen's accounts.

4026. The General Officer Commanding and the committee would hand over to the regimental officer a large proportion of these canteen profits?—Assume that a regiment is 800 strong, the profits of the canteen would run into about 1,200*l*. a year. Now the improvements would not take more than 200*l*. a year, so there would be 1,000*l*. left for the regimental officer. I will give you an illustration to show you how much money there is. They built at Aldershot a swimming bath. I do not quite understand how it was built, but part of the money was given out of the tournament fund, and the rest of the money was to be given by the public. Then the war came on, and the Secretary of State for War decided that the public would give no more money. The bath was built, but the subsidiary baths, in which the men were to wash before they entered the main swimming bath, were not built; and both men and officers said no, they would rather not use the bath unless they could get the subsidiary bath built. I said I will get 1,600*l*. out of my Aldershot canteens if you will allow me to finish this bath. I arranged to get the money. The Commanding Officers and everybody was perfectly content to do it, and they were to be repaid gradually. All I wanted authority for was to be able to charge each incoming regiment with the balance which was unpaid. I did not get that authority, and, consequently, up to the time I left the bath had been built two years, but had never been used.

4027. What was the object of the subsidiary bath?—Some of the men, perhaps, did not bathe very often, and this subsidiary bath was a bath with jets of hot water. You have seen, I dare say, the baths put in at the Duke of York's School. Jets of warm water play on the man's body; he can soap himself if he wants to, and then go into the bath and have his plunge.

4028. You have not been able to carry through that scheme?—No, I was not; but the money would have been forthcoming at once. They were all delighted with the idea. The Artillery paid 300*l*. the first day.

4029. Do I understand the system you would recommend is that a certain percentage (the exact percentage to be arrived at after consideration) should be handed over by the General Officer Commanding and the committee to the regimental officer?—I would let it be an understood thing that the Government should pay the soldier a fair wage, and that a part of the profits that

that wage produces when expended in the canteens, which, be it recollected are built by Government and given rent free, should be spent in making him comfortable. That is the rock we have split on. We have waited for comfort till we could get it out of the public, and they have never given it.

4030. (Major-General Eaton.) Would you tax the profits of the canteen with the initial cost of building?—No, I would not.

4031. You think the Government ought to supply the building to start with?—Yes. Let me be quite clear about that. I do not mean to say that we ought to provide Turkey carpets or best pianos, or things of that sort. But whatever the standard of comfort is which the Government is to provide, let that be fixed, and let that standard be supplemented by the money that the soldiers have to spare. I have said I would not tax the soldiers' profits for the buildings, but I would under certain conditions. I think the Government ought to give what is fair, but I do not think you ought to hold that the Government should start by giving luxuries.

4032. The only point is, whether you would advocate that the soldier, the man serving now, should pay for the actual building of these new canteens, if it was considered necessary to build them?—I think the Government should provide the buildings. I know a case in which a regiment was stopped for five years from putting into a barracks the requisite things to supply hot water for their own baths, on the ground that it was an expense which was not properly chargeable to the canteens, but that it ought to be provided by the Government. Eventually the canteen did it. But they waited for five years, and they would have waited for ever before the Government would have done it.

4033. There is no reason why the canteen should not be made more comfortable by the men themselves; that is the real point?—That is the real point. It is what everybody does in every walk of life. He spends his surplus funds on his own comforts.

4034. The buildings ought to be there, and then it is for the regiment to supplement them?—Yes, they should provide the comforts.

4035. (President.) Some of the witnesses said that the want of proper accommodation is a national scandal, and that it ought to be provided by the Government; what do you say to that?—Before I answer I should like you to define what you mean by "proper accommodation." But I will say this, that there are many barracks in England in which the lighting at night is a public scandal. The men cannot read, they cannot do anything; they are driven into the public house. There are also certain barracks that are very uncomfortable. But there again, it is the want of system we suffer from—it lets in the faddist. Why, for example, in the Aldershot District, spend money on cubicles in an old prison at Woking, when the Cavalry canteen so urgently requires rebuilding?

4036. You think that is a scandal?—I think it is a scandal. There are many such cases. There are lots of places which are lit by oil lamps, because they will not undertake the laying of gas.

4037. (Major-General Eaton.) And you would advocate a place where the soldiers could take their friends, when they came, into a respectable tea-room, such as you will find outside barracks?—Yes; I do not believe there is any class of men who have more money, or as much money to spend on their amusements in proportion to the rate of their pay, as the soldier has, and I am certain there is no class of men who are more honestly desirous of spending it in a decent manner if they get a chance.

4038. But the chances are against them?—They are against them.

4039. (Colonel Lambert.) We know that there are some permanent canteens that never change; such as the Guards' canteen, which are taken over from one battalion to another, while there are regiments which move about, such as cavalry of the line and infantry regiments?—I think under the regulations they are permanent in a sense—one regiment is obliged to take over the stock of the one that goes before it. The building of course is fixed; and the machinery, the beer engine, and so on are fixed. In fact, they belong to the Government now. But the stock is taken over at a valuation, I think, in all cases now.

4040. Even if it is still under the regimental system, and not the tenant system?—I will not be quite certain.

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It is one of two things, I know, either that is done, or the man who supplied it has got to take it back. It is not moved, or very little of it.

4041. (*Colonel Bridge.*) It is generally taken over, but some little difference arises over it. The incoming tenants may object to the price that is put on. He may say, "You have put down linoleum in the canteen, which we object to, and we are not going to buy it from you," is not that so?—But the General will say, "You must." The great thing is to get a system. If that system is once instituted, you will find the officers will accept that without any trouble, and will like it.

4042. (*President.*) Is your experience that a general canteen, in which units meet together, is open to objections or not?—I am on the whole in favour of it, but there are pros and cons.

4043. You do not think it is desirable that each regiment should have its own separate club?—Personally, I think there is an advantage in the larger establishment, but there are pros and cons. I should always like to keep in a big garrison one or two single canteens, so that I could shift a regiment if I wanted to.

4044. On the question of contracts, are you in favour of a district contract or each regimental officer making a contract for his own separate canteen?—I am in favour of the General Officer putting it up to open competition, and taking the best he can get.

4045. Then each canteen would be obliged to treat with the tenant?—I would put it up to open competition. If one man came forward and offered a price which, on the whole, for the whole district, was better than a lot of other men offered, I should disregard the fact that in one particular canteen there was a very high price offered, and I should equalise it over the whole district, and give it to the one man. But I should let that always be public competition.

4046. (*Major-General Eaton.*) What length of contract would you give—six months, or a year?—A year.

4047. (*President.*) Would not that be taking the administration of the canteen out of the hands of the regimental officer?—No.

4048. Suppose he thinks he can do it better than the tenant with whom the General Officer Commanding has contracted, he cannot do so by that regulation, and there is no competition as far as he is concerned?—But he has not got to compete. If you mean that he ought to be allowed to keep a regimental canteen, I say he ought not, because the men taken from the ranks to run it are a dead loss to the Army, and indeed to the nation.

4049. The General Officer Commanding the district invites tenders, and he receives a tender which, in his opinion, is so advantageous that he compels every regimental officer to treat with this particular contractor?—If this contractor is merely a trader for certain articles I should say, if you ask me, that the General Officer Commanding would be wrong. He has no right to do that.

4050. That is what I understand is the system of district contracts?—There is no single system really as a district system. Originally the district system was started by a man called MacGrigor, a very good fellow indeed, at Cork. General Fryer was the General at the time. MacGrigor devised a system by which, in his office, he received requisitions from all the canteens in the district, and then he dealt with them from wholesale dealers, and this did an extraordinary amount of good in Ireland; because there was fearful jobbery among the smaller people in Ireland with regard to canteen contracts.

4051. That seems to have been a very good instance of the co-operative system?—A first rate instance, and also of its breaking down. MacGrigor went away, and was succeeded by an Army Service Corps sergeant, and

in the end, as Adjutant-General, I suggested that some other system might be found preferable.

4052. Was he competent or dishonest?—He was not incompetent. It had done well, but I thought it had better be stopped, and the General agreed. Since that several Generals have tried experiments on these lines, but I believe they mostly now incline to the tenant system.

4053. In the course of your very interesting evidence you have not been asked this question: Are you in favour of the soldier being able to get beer with his supper?—I am in favour of the soldier being treated like a man. I would let him do what he wants to do, but of course I would not allow the soldier to swill in the recreation room without limit, just in the same way as you do not allow a man in a club to play gambling games. Everybody has to be ruled by social law, but, apart from that social law, I think we grandmother our soldiers a great deal too much.

4054. Would you allow beer to be served in the same place where the variety shows, or whatever they are, are given?—That would depend partly upon the shape of the canteen; as to whether it was able to be done, and the amount of room there was, but on the whole I think not. I believe that the London County Council are perfectly right in having stopped the sale of liquors in the auditoriums of music halls; and holding their experience to be right, I should say I would not allow it to be consumed in the theatre.

4055. You would treat the soldier as a man, and allow him to have beer with his supper?—If you want to make a soldier a man you must treat him as a man.

4056. (*Major-General Eaton.*) Would you allow him to go and drink there unless he had something to eat?—Why should not he?

4057. Then you would make two wet canteens?—I did not understand you. I would not allow the recreation room or the coffee room to be made a room where drink was served except with food; I would not allow a man to sit at the table and drink; I would not allow him to swill.

4058. But would you let him have a pint of beer?—Yes, and I would go further than that; I would allow him to take his pint of beer to his dinner in the barrack room if he wanted to.

4059. (*President.*) Is there any other point that you would wish to give us your opinion upon?—I should like to press this point especially; that whatever you do with tenants' canteens you must have some proper system of inspection—inspection of any goods for quality and of beer for gravity. That is essential, otherwise you have nothing to keep your canteen straight.

4060. Have you had any experience in your Irish command of the greater gravity of beer sold in Irish canteens?—I have had but little experience of Irish canteens. Of course porter is heavier than beer.

4061. Do they drink porter in the canteens?—I do not think they do. I have not been in an Irish canteen for a great many years, but I may say that the Irish peasant is turning to porter from spirits to a certain degree. Then I should like to say one thing with regard to recreation rooms: I do not think that it is wise to drive out beer. My experience at Aldershot certainly was that if you could give good conveniences for drinking beer in the canteen you kept the man, and especially the young soldiers, from bad spirits and the public-house. I think that the danger of making it hard to get beer in the barracks is that you lead them to drink bad spirits.

4062. You drive them outside?—You drive them outside, to low public-houses, and there they drink spirits.

4063. You serve no spirits in your canteen?—To that I attach great importance.

The witness withdrew.

Brevet Lieutenant-Colonel EGERTON, Seaforth Highlanders, called and examined.

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4064. (*President.*) Where are you stationed?—In Cairo with my regiment, the 1st Seaforth Highlanders.

4065. You can tell us something about canteens abroad?—I can. Both at Malta and Cairo I have been president of both regimental and garrison institutes for a considerable period, and at home also.

4066. Kindly give the Committee your views upon any points on which you think your opinion would be of interest?—I think after an experience of some years as president of these institutions, that the labour and responsibility placed on officers under the regimental system is very great indeed, and that the second in

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command, who has really the whole of the responsibility, if he does his work properly, has really not the time to properly look after, and to do all the things that are laid down by regulation that he should do, and that therefore he must be very much in the hands of his manager. That is my experience.

4067. On whatever system a manager is appointed, the regimental officer must be very much in the hands of the manager?—That is what I think.

4068. How can you apply that system of inspection, which I think everybody is agreed, must be very rigidly applied in order to protect the soldier from having adulterated goods served upon him?—I do not see any difficulty. Under the tenant system he has to take back under the terms of his contract everything that is bad. He has to change goods at the request of the commanding officer, either of the station, or of the regiment.

4069. What is your system of inspection now?—Simply that the president goes round every day, and as far as his powers admit sees what is good, and what is bad; and also to a certain extent he must trust to his manager, of course. He tells him what is wrong, and my experience is also that the men will complain fast enough if things are bad.

4070. You say the men complain fast enough. What opportunities are given in your regiment to the men to complain?—You will understand I am not a commanding officer; I am only acting second in command at this moment. But as I frequently am in command on parade I tell the men, when we fall in, before we commence the manoeuvres that when we fall out, before we march home, I am going to see one man per section, on anything they like to tell me about the canteen. And I fall out one man per section and ask them. They have had then the whole parade to talk it over among themselves, and after they have had, as I say, time to consider any complaints they have to make, I draw them up in front of me, and I say,—Has anyone got anything to say, and let them say what they would like to say about the canteen; and quite freely they tell me of anything they do not like; and I have found that works admirably.

4071. Your experience is they speak freely?—Freely.

4072. You have educated them to speak freely, and they have acquired confidence in you?—It is perhaps prejudice in one's own regiment, but I have never found any difficulty with the men to get them to speak, and my experience is that they do not in the least make frivolous or idiotic complaints. I have had a lot of very useful things suggested to me in that way.

4073. Are they interested in the management of their own canteens?—My experience is, in my own battalion, that they are.

4074. They take an interest in how it is managed?—Yes.

4075. Do they take an interest in the way in which the profits from the canteen are appropriated?—That I cannot say. Of course they are put up according to regulation in recreation rooms, and are publicly exhibited. The balance sheet is put there; but whether they do take much interest in them, I really do not know.

4076. They never complain to you when you call them up for the purpose of making complaints that the profits have been appropriated in a way that they think a foolish way?—No, never. I have never had complaints of that kind.

4077. Or that they might be better appropriated?—I have never had a complaint of that kind, and I doubt whether any man would, because they are made under the careful supervision of the Commanding Officer and the General Commanding the station. I think it would be rather a strong thing if the men complained about that, though I suppose it is their own money.

4078. But you could represent their grievance to the Commanding Officer?—I should of course represent it, but he would have to take the responsibility of it.

4079. Who?—The man who made it, I think that would be rather a strong thing for a soldier to complain about.

4080. Supposing the men said we should like a certain percentage of the profits to be allocated to a particular purpose; do you think that would be a strong thing?—No, I do not know that it would. It never occurred to me that they would complain about those things.

4081. Suppose you were to throw a fly over them and ask them how they would apply the profits?—I think it would be rather beyond me as a subordinate officer to do that.

4082. Do you think that would be a breach of discipline?—I think it would approach very nearly to that.

4083. And yet those profits are held in trust by the regimental officer for the benefit of the soldier?—Under the general supervision of the General Commanding the station.

4084. But still they are held all over the station for the benefit of the soldier?—Yes.

4085. Therefore it is desirable to find how the soldier would like to have them allotted?—Yes. It is new to me, as a soldier, I must say.

4086. Is there any particular point to which you would like to draw the attention of the Committee on a matter of canteen management?—Yes, there is one thing that has been forced on me very strongly in years past. Of course recent orders tend towards doing what personally I think is right. It has been forced on me as a regimental officer of now close on 23 years' service that we offer far too great incitement to the men to drink in barracks. We make it far too comfortable for them. If you make that remark the stock answer to that always is: "Oh, they will go outside and get drunk; if you do not offer them every facility in barracks they will go outside and get drunk." Personally I do not believe in that myself. I know in my own regiment, and I daresay this is true of many others, that we get a great many young fellows from the north of Scotland, who do not know anything about beer. As anyone who lives in Scotland knows, in many parts of the north of Scotland, at any rate, there is not any beer. The public-houses are miles and miles apart; and my belief is that a great many young fellows are taught to drink—learn it when they get into the Army. Of course you must have beer in barracks, but I think that the opening of canteens from 6 o'clock in the evening till 9.30 at night, with plenty of sitting-down accommodation, and very often a piano and all kinds of things like that, is quite wrong. But one man cannot change it. If I were to succeed to a command tomorrow I could not change that. There would be the greatest discontent, because it has been an established thing for so many years.

4087. Do you hold that owing to insufficient accommodation for the comfort of the men, such as good club-rooms, they are driven to the canteens?—No, I do not think that, because I think that the recreation rooms are very comfortable in barracks.

4088. You do not think it is desirable to improve upon them?—I do. I think you want to improve them very much. For instance, at Cairo, we got an order the other day that we were to do all kinds of things—to have concerts and everything in the recreation room and supper room. All that means building, and we could not do it without money. I think that a room, a large sitting-out place, where a certain number of men go and sit every evening from 6 to 9.30, and entice other people in, is bad. I would have a big public-house bar. You do not find in any public-house in London a large amount of seating accommodation. That is the one thing that is not allowed. And certainly musical entertainments or entertainments of any kind ought to be rigidly forbidden in the wet canteen. They are not rigidly forbidden now. It is only said that general entertainments are to be in the recreation room, but there is no order, as far as I know, absolutely forbidding these entertainments.

4089. You would not allow liquor to be served in the room where the entertainment is given?—Certainly not.

4090. If a man wants drink do you think he ought to go out by one door and in by another door?—I would have the two things well away from each other. You do not allow a public-house in London to have music or dancing of any kind. It is the one thing you will not give them a licence for, because I presume it keeps people there drinking. In the same way in a canteen I should simply have a large bar where the men could go and get their beer, but not the great sitting-out room, which most canteens have, because it means that from 6 to 9.30 in the evening as long as they have got money there are a certain number of men

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congregate there and spend the whole time drinking, and get other fellows to come in to drink.

4091. Which is "the right thing" to do?—"The right thing." The old soldier gets the young soldier to come in and pay for his drink.

4092. How long does it take the young Highlander, who does not know what beer is, to be converted into a hard drinker?—I do not think there is anything like the amount of hard-drinking there used to be when I first joined. That I am confident of.

4093. Still the chances are in favour of converting the Highlander, who is an abstainer into a drinker?—I am sure of it.

4094. He can hardly resist it?—There is too much temptation thrown in his way. I do not say this only of Highlanders.

4095. But of every recruit?—Yes, that is my opinion. I talked it over yesterday with two commanding officers. They very much agreed with me on some points, and not only on that. This is my own opinion, and it is worth no more than that. Of course I would not limit the hours of the canteen; but I would not allow a big sitting-out room where the men could sit and booze for hours.

4096. Would you allow a man to have any beer with his supper?—We do. In most supper-rooms facilities are offered for that if possible.

4097. And that you would not stop?—No.

4098. You think that is a proper arrangement?—A soldier is a peculiar person. You cannot get him to take beer with his dinner. He does not care for it. It has been tried over and over again.

4099. The long training at the canteens makes them like their liquor by itself?—That is my experience in the Service. They do not take to beer with their dinner. It has been tried over and over again. Then there are objections to it; it means carrying beer to barrack rooms and so on. These are great objections. I do not think it has ever been tried of recent years in my regiment, but I have often heard of its being tried and not being a success.

4100. But if a man likes a glass of beer with his supper do you see any objection to that?—I see no objection to that whatever.

4101. You would rather encourage that?—I would rather encourage that, but in many cases it means carrying it a long way. It does at Cairo where I come from. The supper room is right across the barrack square. Of course in the Army one thing to be carefully guarded against is the carrying of beer away from the canteen. You have always to watch that.

4102. (Colonel Lambert.) You are at Kasr el Nil barracks?—Yes.

4103. Did you ever have put in your hands from there a paper written by General Brooke, which was filed at the headquarters?—I do not know of it.

4104. Who supplies the beer in Egypt now?—Showers, a Birmingham firm.

4105. Had you or your regiment or your Colonel anything to say about that?—I happened to be the officer, President of the Committee, that selected that beer, and it was done entirely by the men themselves.

4106. (President.) They chose their own beer?—They chose their own beer; I believe there could have been no hanky-panky about it. The barrels were put into the room marked by one of the staff and the doors and windows and everything sealed until I arrived. One is always very suspicious; but I believe it was a *bona fide* choice. The only thing that made me suspicious of it was that it was such an unanimous choice. There was a representative from every corps and garrison, and there was an almost unanimous choice for this beer. That was the only thing that made me suspicious.

4107. (Colonel Lambert.) Would you suggest any alteration in the measures that the beer is retailed in. It was common in Egypt to have what they call half-gallon measures, when I was there not so many years ago?—I introduced glasses the other day into the canteen. One of the men said they would like to take their beer out of a glass. But I do not think it took on very much. I think the measures are right enough.

4108. You would not suggest any alteration in the measures?—No. In one canteen I took over at the

citadel at Cairo some three years ago I found a number of false measures among the pots. I found a certain number of short measures. They may have been there for years, but I do not not know how long.

4109. (President.) Where did all that profit go to?—All the money is supposed to go into the lock till. That would go into the surplus. The manager is only expected to return 10 per cent. to 15 per cent. We generally get 11 per cent. Probably that would go into the surplus, he would make something of that.

4110. Have you ever been, since you have been second in command, in charge of the sergeants' mess of your regiment?—I am at this moment.

4111. (Colonel Lambert.) Speaking generally, and not of your own mess particularly, do irregularities occur frequently in sergeants' messes?—I was Adjutant for a good many years of a battalion, and I know that sergeants' messes require very careful watching indeed.

4112. Without in the least aspersing the men as a class, have you ever thought out any system of avoiding temptation to men who get into sergeants' messes as caterers, or of putting temptation out of their way?—No, I have not. I think that they all expect to make something. My experience in the Army is that a caterer of a sergeants' mess must make a little in some ways. He expects to, and, curiously enough, his comrades expect it. They all think they will have their turn. But I do not think that the profits are anything like they used to be in the old days. Things are very much more carefully looked after, and the profits are small.

4113. You have never thought of any means of putting the possibility of temptation beyond their reach?—No, I have not. I think what you must do is to raise the position of your sergeants as much as possible. They are very important people. A well-managed sergeants' mess is an excellent thing in a regiment, but they, of course, always want to be very carefully watched.

4114. To follow out your line of argument, would you see any objection, with your experience, to the mess being carried on on the same lines as your's and mine is, by having no cash transactions whatever?—I do not know about that. I do not know that they are quite prepared for that yet. Then they have very extraordinary customs in sergeants' messes—absolutely different to ours. For instance, if a strange sergeant comes into a mess he stands what they call "a round."

4115. (President.) That reduces the number of their guests very much?—I expect so. Then another extraordinary custom is this, if they give a ball or a dance the refreshments are a source of profit to the people giving the dance. Their guests pay for their refreshments, and they very often nearly cover the expense of the dance by what their guests pay. Those are old customs of the Service which make a sergeants' mess so different from an officers' mess.

4116. Is that universal in the Service?—I am not prepared to say that, but I know it is the custom in many regiments.

4117. And an old-established custom?—Yes.

4118. And I suppose if you were to try and alter it you would create a great deal of ill-feeling?—I think you could not alter that; that it would be very difficult.

4119. You think it must be done from below, and not from above?—Yes.

4120. I suppose this practice of the men making money during their monthly catering is not regarded as swindling, because it is done with the full knowledge of all his colleagues?—I am not prepared to say that they will even acknowledge that it is done. But I know it is done.

4121. Is it not well known throughout the Service that it is done?—Yes, I think so; but I do not know that you will get anyone to say that they do it.

4122. But still there is a very great desire to be the caterer?—As to that they say that it gets them off parades and that sort of thing; and that is why they like it. But there must be something more than that. The true answer probably would be "I have an enormous amount of responsibility; a great deal of money passes through my hands, and I have a great deal of hard work to do. I am at it all day (as they are). Am I not to make a little bit?"

4123. (Colonel Lambert.) Do you have a lock-up till in your sergeants' mess?—No.

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4124. (*Major-General Eaton.*) Have you known any instance of bribes being offered by tradesmen to stewards of canteens?—I was canteen president at a station when a certain pocket-book was found, believed to belong to the agent of a brewery firm, which contained entries showing bribes to canteen stewards and waiters.

4125. That was a regimental canteen, was it not?—In my opinion it was. But there was a garrison canteen which also had entries.

4126. This particular bribe was given to the regimental canteen steward?—Yes.

4127. Have you ever known of any bribe being offered by these contractors under the tenant system?—I have had no experience of the tenant system, except for a month at a time, when Dickesons took it over at Aldershot, when we were moving. That is the only experience of the tenant system I have had. But I have had no experience of the kind you mention.

4128. (*President.*) What was the character of the bribes in the note-book?—The canteen steward got 12l. 10s. a month and the waiter got 1l. a month. That was put down—names, amount, and everything.

4129. What happened on that occasion?—I understand that the firm of brewers in question were debarred from Army work at the time.

4130. The canteen steward was not punished?—He was not punished.

4131. The temptation to which all canteen managers are exposed of receiving bribes and commissions is, I suppose, the great difficulty?—Yes.

4132. The practice of bribes being offered and bribes being received by canteen managers is well known?—It is within the knowledge of everyone in the Service.

4133. How can it be stopped? Can it be stopped by any method short of making it a criminal offence for a man to give a bribe?—Is it not so under the new law?

4134. There is a new Bill being proposed, but it has never been passed into law?—I think, if you could catch a fellow taking a bribe, you would get him under military law, because every pensioner employed in the canteen is subject to the military law under the Army Act.

4135. But you have just given us an instance where you had pretty conclusive evidence, but yet nothing was done?—I never knew why they did not push that thing. Whether they did not think the book enough I am sure I do not know. There were the men's names. We could not prove that the money had passed; I suppose they thought that the evidence was not strong enough.

4136. Under military law there is nothing to enable you to punish the man who offers the bribe?—No; he is a civilian. But the man who takes it can be punished.

4137. In order to enable you to stop this practice, is it desirable, in your opinion, to have a law which would make it a criminal offence, and expose a man to the liability of imprisonment, if he is proved to have given a bribe to a servant?—I think so myself; but I do not know that my opinion is of any value.

4138. I think most of the witnesses who have given evidence before us are agreed that what you require is freedom of choice as to what source of supply you should go to for the articles you sell your soldiers at the canteens, and also a rigid system of inspection?—Undoubtedly, yes.

4139. Then it has been suggested that in order to save the soldier the profits now made by the tenants to whom the canteens may be let, it might be desirable to establish a separate organisation for purchasing through a central society the goods sold through the canteens, and that this central society should really buy for these canteens, and that any profits it might make on its wholesale business should be distributed between the canteens in proportion to the profits that they make?—Yes, but then the obvious answer is that you have no competition at all.

4140. You do preserve the element of competition by enabling the regimental canteen to buy where it pleases, though it has the option of buying through the central organisation. Do you think it is possible for the Army to organise a business which would enable

you to save for the soldier the profits now made by the tenant contractors?—Yes, I do think so, and I am rather in favour of it. But you must make it optional; you must not force anyone to go to the central place. That would be a great mistake.

4141. No. I start with the assumption that the local canteen can buy its goods from what source it pleases. But the point I want to obtain an expression of your opinion upon is whether you think it would be possible to set up an organisation, from which the local canteens could buy their goods, on the co-operative system?—Yet, I do think it is possible, always provided, as you say, that it is optional. But I certainly think they ought to be allowed to get their own beer where they like.

4142. (*Major-General Eaton.*) It amounts to this, that you think that a War Office grocery store could be started on the same principle as the War Office clothing store?—I think you ought to make it optional. I do not think you ought to leave the whole of the grocery stores in the hands of one organisation. I think I should be inclined to go to this central organisation for a time, and see how it works, but I think I ought to have the option if I do not like it of going somewhere else.

4143. (*President.*) If you had a central organisation of this character it would be their interest to trade there if they got a good article?—Yes, because they would get the profits back. But I do not think that would work with beer.

4144. Why?—The British soldier is an extraordinary person. After he had had the beer of one brewer for a certain time he would not like it, and would complain like anything about it; they have very queer taste in beer. One regiment likes one beer and another regiment declares it likes another beer. I think there ought certainly to be free trade in beer. This was proved by what I told you occurred at Cairo. This committee of privates and a certain number of sergeants sat, and unanimously selected a beer. Out of several kinds of beer one was selected, and I think that has given very great satisfaction. They did not like the beer they had before, and they changed over.

4145. (*Major-General Eaton.*) The central organisation would be simply one firm, but other firms could compete?—That is so. I think that would be a very good thing. But you must give me the chance, if I am the Commanding Officer or the General Officer with a district contract, of going somewhere else if I want to make a change. But, with that understanding, I think a firm like that would be an excellent thing; but only for groceries—not for beer.

4146. (*Colonel Lambert.*) Do you favour a regimental contract as against a district contract? Would you prefer to make your own arrangements?—From my experience I should prefer a district contract, such as we have at Cairo now, because I think it is much better managed, and there is an officer on the station of the Army Service Corps, who has large experience of these things. I think the district contract is more satisfactory.

4147. (*President.*) How is the regimental interest protected? What voice has the Commanding Officer of the regiment? How can he get his representations considered by the General Officer Commanding?—I have never had the smallest difficulty, where anything has been bad, with the district people at Cairo. I send it back at once and demand a change, and in case I report that peas are bad, or split peas are not good this month, or that the rice is unsatisfactory, they at once call the contractors over the coals. That is my experience. They back you up in every way.

4148. Suppose you had this sort of system—that in every district you had a central committee, to which each canteen should be allowed to send a representative for every 500l. or 1,000l. worth of trade that it did, so as to secure your having a voice in the management of the district, do you think that would be too complicated for the Army?—This is the only experience I have had of a district contract at Cairo. At Aldershot we had a regimental contract; at Cairo it is a district one, and I do not think we have any cause of complaint at all. I am sure we could not do better ourselves nor anything like so well; certainly not in a foreign place like Cairo. At home it may be different.

4149. What is the strength of the men in the district?—A cavalry regiment, two battalions of infantry, and three batteries. There is a battalion at Alexandria.

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4150. (*Colonel Lambert.*) I think there are about 3,000 men?—There are over 3,000 men. We could not do anything like this well with a regimental contract at Cairo. It is the interest of this one firm that has the contract now to give satisfaction. It gets the whole of it. It makes a big thing of it. If each regiment did it we should fall into the hands of smaller people, and should not get the same satisfaction.

4151. You are in favour of the General Commanding Officer of the district making the arrangements?—Certainly, abroad.

4152. He takes advice, through his staff, of the regimental officers?—Yes, he consults them. At Malta we had the regimental system, but we dealt more or less with the same people. I should say with a big firm like Dickesons, or this company that you suggest, if they get the whole garrison, it would be worth their while to set up a branch there. For one regiment it might not. Therefore I am in favour, abroad certainly, of district contracts for groceries, and also, I think, for beer.

4153. (*Colonel Bridge.*) You do not think the Commanding Officer would think his initiative was interfered with, and would lose interest?—I am not a

Commanding Officer; but I certainly do not think that is the experience in Egypt. I should think they would be only too pleased.

4154. He does not mind being bound to go to a certain place, I think?—Not at all. It removes considerable responsibility from him, and probably he gets better served.

4155. (*Colonel Lambert.*) A district contract under the tenant system, and a district contract under the regimental system, are two totally different things?—They are.

4156. With the district contract that you have you are employing your own men?—Yes.

4157. Who appear on your own pay-sheets as soldiers, and so on?—Yes.

4158. And who are absolutely under your own control and command?—Yes. I think where it is a question of what the district contractor has under the tenant system to give you per head, then, possibly, the Commanding Officer should have more voice in it. I do think that.

4159. But they are two totally different things?—They are two totally different things.

The witness withdrew.

*Mr. Clare
White.*

MR. CLARE WHITE, called and examined.

4160. (*President.*) You, I think, are the secretary of the Royal Army Temperance Association?—I am.

4161. Have you served in the Army?—Yes, I have served in two cavalry regiments, King's Dragoon Guards, 4½ years fencing instructor; 5th Royal Irish Lancers, 4½ years sergeant-major. I was a missionary of the Soldiers' Friends' Society in India 4 years, and worked for the Army Temperance Association with Mr. Gelson Gregson. I was missionary in the Soudan 1884-85, medal and bar, Khedival star; on the staff Church of England Temperance Society, Army Division, 2 years; secretary Church of England Temperance Society, Winchester Diocese, 8 years; secretary Royal Army Temperance Association, 8 years; and have visited the troops in South Africa by order of the Commander-in-Chief, medal, three bars.

4162. How long have you been connected with this association of which you are secretary?—21 years, in India and at home.

4163. Are the whole of the 40,000 members total abstainers?—The majority of them are total abstainers, but about 3,000 of those 40,000 are what we call general section men.

4164. But 37,000 out of the 40,000 are total abstainers?—Yes.

4165. Is the number of abstainers increasing?—I cannot say they increase. During the past five years that has been the normal number, but men are leaving and men joining constantly.

4166. How long have you been at work in temperance reform in the Army?—21 years; I have been a paid worker during that time.

4167. And have you noticed any difference during that time in the habits of the private soldier?—Yes, I notice a great difference between now and when I was in the Army.

4168. Has there been an improvement since?—Yes, I should say a great improvement.

4169. Will you give us some idea of the character of that improvement by comparing the drinking habits of the soldier now with what they were when you first joined the Army?—When I first joined the Army it was quite the customary thing to be taken to the canteen by some old soldier. Every soldier, I think, would tell you that was his experience; one would be taken to the canteen by some old soldier and there pay one's footing. Whatever money one had was spent in the canteen with the old soldier. That was my experience.

4170. How long did that operation of drinking-in continue?—Perhaps for a day or two.

4171. Until the young soldier had spent all his money, and had nothing more to give?—That was so.

4172. Does not the same practice exist now?—No; the short service system has, I think, practically done away with that.

4173. Is not the young soldier still encouraged to come into the canteen and enjoy the privilege of drinking with the old soldier?—No, I do not think so. The canteens have been, I think, improved. They were formerly places of a low standard of character.

4174. Then the condition of the canteen, in your opinion, has very much improved?—I should say so, undoubtedly.

4175. But is there room for still further amendment?—I should say a very great deal.

4176. Tell us how you think they could be improved. —I think the present regimental institutes—and when I use that expression I mean to include the canteen—are wanting in comfort, and as at present conducted are not likely to produce the best results that may be obtained. What I venture to suggest is that in the present regimental institutes, apart from the canteen, more ordinary club-rooms are wanted, and the writing, supper, and game rooms, and library should be made more attractive. Then, I think, refreshment rooms should be fitted up to date with every convenience, including—and I think it is a very important matter—diamond soda-water machine. One of these machines is used in the R.A.T.A. room at Shorncliffe. The rent is 20l. a year. It produces 48 gallons of best aerated water for 6s. And it also supplies fruit juice, syrups for use with aerated water, at 9s. per 48 gallons, giving a profit of 3l. 4s. on every 48 gallons at 1d. a glass. A soldier, serving, works under a committee of officers; and by this method of decentralisation you get an interest aroused which you cannot get in larger co-operative undertakings. Then I suggest that tables, chairs, linoleum, glass, and china, and cutlery should be of seal pattern, and have the words "Regimental Institutes," enclosed in a garter, with the crown in the centre. These little things help much, they speak to the men.

4177. But I thought you said this state of bad surroundings and dirty pots was the condition of things when you first went into the Army?—But you still find a great deal of that now. I have just returned from Gibraltar, Malta, and Cairo. I went into the canteens of several regiments there, and I never saw anything to equal the state of things. It was most abhorrent to anyone. Such surroundings cannot lift a man up in any way whatever. If the men come out of such places and go into the soldiers' institute, they find the surroundings all bright. This is all right, and this tends to help the men to be better soldiers and better men. We have a room at the Discharge Depot, Fort Burckhurst, on which the R.A.T.A. have spent 80l. in furnishing and making up to date; ladies have given pictures and carpets, and have made it most comfortable. The men continually say to me, "My word, this is all right; they are sending us away with a good impression; if they would only do that when we join." There seems to me to be nothing so hurtful to the Service as a number of men leaving the Army dissatisfied about some trifling matter, but which to them

may appear a serious grievance. If this could be dealt with, and matters smoothed before the men leave, they would not be in a position to circulate their grievances amongst the civilian community, and thus prevent many young men from joining the ranks.

4178. I do not quite follow what the particular grievance is to which you refer?—I am thinking of a place at Plymouth, where the contractors, have the dry canteen, and, I suppose, the wet canteen. We had a room allowed us by permission of the General Commanding, and it was fitted up as a temperance bar. When the contractor found this out, he said, "I cannot allow this; I am the contractor here; I shall take this bar over," and he did so. At my next visit, the men said, "We have some complaints to make." They said, "They are serving us out with inferior stuff; look at this cheese, look at the bacon. He wants to sell the beer; he gets more profit out of that; he is cut down to such a little margin that he cannot supply good things to us, and he will not supply us with cakes, and so on." I saw the Officer Commanding about this, and he said, "I will speak to the contractor about it; and see what can be done."

4179. Are you in the habit of visiting canteens?—I go through them as I move about.

4180. Are you able to form any opinion as to the relative advantages of canteens managed under the regimental system and those hired out by tenants?—I should say the regimental system was the preferable one of the two.

4181. Why?—Because the tenant cannot possibly be expected to take an interest in the men.

4182. You mean he wishes to make as much profit as he can?—That is what I find.

4183. (*Major-General Eaton.*) But he is under the supervision of the Commanding Officer and the committee?—Yes; but that will not make him take an interest in the men.

4184. But then the Commanding Officer would not allow him to continue?—I do not know.

4185. (*President.*) He has only a six months' contract, and would he not lose his contract unless he satisfies the Commanding Officer?—Perhaps so.

4186. (*Major-General Eaton.*) Supposing the contractor does not satisfy the Commanding Officer; does not supply sufficiently good things; the Commanding Officer can break the contract?—That may be.

4187. Does not your statement rather reflect on the Commanding Officer, and suggest that he does not take an interest in his canteen because he has got a tenant?—No, I do not mean that. I refer to the contractor who supplies beer to the men.

4188. The contractor may or may not have the beer contract?—He has to pay a certain percentage of the takings to the Commanding Officer for distribution to the regiment.

4189. But that is no reason why the goods supplied should not be up to the standard?—But it only brings in a third man, and why should there be the necessity of bringing in a third man? Surely the Commanding Officer could do the thing without the contractor. You would benefit the men if you cut the third man's profit out; there would be no contractor to pay if the Commanding Officer did it.

4190. Do you know, as a fact, that the profits from regimentally-worked canteens are greater than from the tenant-worked canteens?—I cannot speak positively as to that.

4191. You say the third man comes in; but you cannot say whether the profits are greater in the one case than in the other?—I would not like to say that without making an inquiry.

4192. But you implied it?—Yes, I implied it.

4193. (*President.*) I suppose you have in connection with your association a considerable number of privates and non-commissioned officers who are in favour of temperance?—Yes.

4194. And you have been able to elicit their opinion on the question of canteen management, I suppose?—I have not endeavoured to do so.

4195. Have you never discussed canteen questions with them?—No; I have only heard statements as I have moved about.

4196. From what you have elicited in going in and out among them, are you in a position to give any evidence as to the views of the men on the question of canteen management?—No, I am not.

4197. Have you formed certain impressions of your own?—Yes; but rather with reference to dry canteens and the refreshment rooms than to others.

4198. Do you think a pint of beer in the supper-room would be helpful to the cause of temperance?—I consider it would not be wise to sell intoxicants, or to allow men to bring intoxicants into the supper-rooms. Such permission would be open to much abuse, and as a great number of men who join the Army are abstainers, and have every opportunity of continuing so by joining the Army Temperance Association, it would be well to legislate so that these men may feel that they are not altogether forgotten.

4199. Then you would be opposed to a man having a glass of beer with his supper?—No, I cannot say I am opposed to that.

4200. Do not you drive a man to the wet canteen by not letting him have beer with his supper, and is it not possible that a man who wants a glass of beer to wash down his supper with would have no desire to go to the wet canteen at all?—I cannot agree with you there—not the class of man we are thinking about. The man that is accustomed to go to the canteen does not go and get his supper at the refreshment room. He either goes to the canteen, or he goes out of barracks.

4201. (*Major-General Eaton.*) At what hour does he have his supper?—Generally he has his supper at half-past nine.

4202. After the canteen is closed?—Yes.

4203. (*President.*) He can get his supper at an earlier hour?—He can get it if he wishes to go to the coffee shop. These men do not always want to be drinking beer with their meals. I come across a great number of men now who are not total abstainers, who are not connected with the temperance association, but who are glad to have a cup of coffee with their supper. They say, "We do not always want to wash down with beer; if we want beer we can get it at the canteen."

4204. Do you think the views of the men are against having beer with their supper?—I should think it would be rather convenient if it could be managed, but I was rather going upon the point that you are legislating for one class of men and not for the other; I do not see why any distinction should be made.

4205. (*Major-General Eaton.*) Supposing you turned the institute into a sort of club. One man may be a total abstainer, another may like a little drink, if they both belonged to the same club you would not object to one having a drink in the presence of the other?—No.

4206. Why, in the same way, should not the soldiers be able to have what they like?—In Cairo they can get a pint of beer at the Soldiers' Club outside barracks.

4207. How does that work?—That works very well.

4208. I understand you to say that in Cairo, where they have a club and the men can have either a cup of coffee or a glass of beer, that works admirably?—Yes.

4209. Why should not we have the same system in England; supposing you had the club in the barracks, would you object to that?—No, I would not think it under those circumstances. If you have a club room in this refreshment place and make it more up-to-date, then I do not see any objection to that.

4210. Then, in your opinion, I suppose, what is chiefly wanted is better club accommodation for the men?—That is what I would suggest. It is quite possible to be done. I have here a statement of profits of the R.A.T.A. Branch of the Middlesex Regiment which paid 10l. per month out of the profits of the A.T.A. room to the messing fund of the regiment.

4210a. (*Colonel Lambert.*) Under the regimental system?—Under the R.A.T.A. system.

4211. The regimental institutions of that regiment were being run under the regimental system, I assume?—I cannot tell you. I wish to speak with reference to the management of these places. If you are going to make them up-to-date, I suggest that a committee should be formed in each unit, to be called the "Regimental Institutes Committee," to consist of two officers,

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one non-commissioned officer, and one man, with the duty of providing all dry and wet goods. The officer commanding the unit to be president. The secretary of the committee to post a statement of accounts in the canteen, barrack rooms, library, &c., monthly. The manager and waiters of the regimental institutes to be relieved monthly. From over 20 years' experience of institutes, out of barracks, I find that the main reason for their financial, as well as social success, is attributable to the fact that someone is continually on the spot, and thus able to answer complaints and smooth difficulties.

4212. You mentioned one place where the Army Temperance Association was taken out of the hands of somebody who was running it and given to the contractor?—Yes; that was at Plymouth.

4213. And you said that was to the detriment of the Service and the A.T.A. room?—So the men told me.

4214. But I assume that the contractor who supplied that room was the same contractor who supplied the men's suppers in the other branches of the institute?—He was.

4215. Do you think what he supplied in the A.T.A. room was less good than what he supplied in the other portions of the institute?—No.

4216. You say it was general all the way through?—The gist of the complaint was that he did not supply what they wanted.

4217. You do not suggest that this particular contractor did the A.T.A. branch of the institute less well than he did the other parts; you suggest it was equally bad or good throughout?—If by bad you mean that he left out something they wished he should supply them with, I should say yes.

4218. But it was the same throughout?—Yes.

4229. He did not unduly favour the supper room over the other?—No, I do not think that.

4220. (President.) Do you think that many lads take to drinking after they join the Army who were temperate before?—Yes.

The witness withdrew.

After an adjournment,

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Mr. T. TWEDELL called and examined.

4229. (President.) You represent, I understand, the Co-operative Wholesale Society at Newcastle?—Yes.

4230. We have had evidence from Mr. Gray of the Co-operative Union, and he informed us that you would be able to give us information upon the methods you adopt for purchasing the goods required for the small distributing stores throughout the North of England. Will you explain to the Committee your system, bearing in mind that what we are inquiring into is whether the system that you have adopted in the North of England, in what is known as the co-operative movement, is applicable, with modifications, to the management of Army canteens?—I see no difficulty whatever in applying the co-operative principle to Army canteens. On the contrary, I think it would be a matter of comparative ease, and would be an undoubted advantage to the service. If we remember what has been done by the working classes in the direction of supplying their wants through co-operative agencies, there ought to be no doubt as to the possibility of organising similar agencies for the Army. I do not know whether the Committee are in possession of the figures which indicate the numerical strength or the trading power of the co-operative movement. At the end of the year 1900 there were 1,634 societies with a membership of 1,927,653. The goods sold during that year amounted in value to 77,276,858*l.*, and the net profit realised to 8,573,800*l.* This trade has been organised by working men in the face of enormous difficulties; for if we examine the individual history of the 1,634 societies whose trade amounts to this enormous aggregate, it will invariably be found that the start was small and insignificant, and the early years clouded by doubt and surrounded with difficulties. If, then, such a magnificent result is possible to working men inspired only by their own enthusiasm and supported only by the undoubted advantages inherent in the co-operative principle, what doubt can be entertained as to the possibility of building up a similar organisation amongst

4221. What is the chief cause of that, and can it be removed?—It is due to the fact of their being for the time shut off from their own friends, and isolated, as it were, in the particular regiment they join. This gives them a sense of freedom to do things which they would not otherwise do. Then, moreover, there are temptations put in their way.

4222. You cannot remove the first cause, but is there any practical method of removing the other cause you refer to, namely, that there are certain temptations put in their way. Can you reduce those temptations?—I should say so, by making the canteens not exactly more attractive, but by altering them and fitting them up-to-date.

4223. How would you fit them up-to-date?—On the lines of what we may call an up-to-date drinking place.

4224. Do you think the ordinary London public-house is a great improvement upon the average wet canteen?—Quite so.

4225. And you wish to bring the wet canteen up to the standard of the ordinary public-house?—There is an influence even in inanimate things, and I think if the general surroundings were more artistic and superior they would be productive of good results in the canteen as anywhere else. In most of the canteens the men lounge in in their shirt sleeves, and there is nothing elevating about the surroundings at present. Even if the beer was served to the men in glasses, that would be an improvement.

4226. Have you any personal knowledge of public-houses yourself?—When I was secretary for the C.E.T.S., Winchester Diocese, my duties often compelled me to visit them, *re* licences, &c.

4227. And you think their management is much better than the management of the canteen?—Yes.

4228. You think that the public-house of to-day has a better influence on the men than the average canteen has, which you say has a deteriorating influence?—I should say that.

our soldiers who, in addition to any advantages possessed by detached bodies of working men, have a superior cohesion, more leisure, together with a body of officers whose intelligence and kindly help would be invaluable. If I am not trespassing too much upon the time of the Committee, I should like to say that the society with which I am connected at West Hartlepool commenced its career with 87 members and 116*l.* of capital. That was in 1883. To-day it has 7,500 members and a capital of 73,171*l.*, and does a trade of a quarter of a million per annum. It is one of the 1,634 societies, and in its start, its history, and its success is typical of the rest. The method of working these societies is very similar, variation appearing only in minor matters. 1st, They have an independent existence and are registered under the Industrial and Provident Societies Act. They have a code of rules sanctioned by the Registrar; they are governed by a committee or board of directors, and they have a staff of officers and a body of employees for the conduct of their business. Members are admitted by the committee, and on admission must take up a stipulated number of shares in the society—generally one of the value of 1*l.* This need not be paid up at once, but may be paid in small instalments which are generally deducted from the dividend which accrues to the member on his trading. The prices charged are either those prevailing in the district, or, where the society is powerful, the private trader follows its lead. Profits, after depreciation and reserve fund allowances have been made, are divided amongst the members at so much per £ on their purchases. My society pays a uniform dividend of 2*s.* 6*d.* in the 1*l.*, carrying all surplus over that amount to reserves. At the end of each quarter this dividend may be withdrawn in cash by the member, or, if not withdrawn, it is placed to his credit in the ledger and may be withdrawn at any time afterwards. As long as it remains in the society it earns interest at the rate of 5 per cent. computed quarterly. The Committee will

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see that such a system provides the working man with a method of saving, quicker and more responsive than any other system within his reach. First, it receives his individual savings in sums of 1s. and upwards; second, it capitalises his spendings on outlay and pays him 12½ per cent. upon it, as though it were so much hard cash invested with it; and third, it pays him 5 per cent. compound interest upon the whole with quarterly rests. Based upon principles like these, co-operation is a hardy plant and soon strikes its roots deeply into the soil; the devotion and enthusiasm which it inspires soon evolve a sentiment of loyalty and devotion amongst its members, and if its management be wise and its rules equitable there is no power that can stop or retard its progress. Then in addition to the retail society, organised to supply the individual, our movement has advanced another step and has organised two wholesale societies, from which the retail society may draw its supplies just as the individual draws his supplies from the store. These wholesale societies are federations of retail societies, individuals not being admitted. The constitution is a replica of that of the retail society with the substitution of a society as the member instead of the individual. Capital is raised, interest and dividend is dealt with, and trade is conducted on the same lines as in the retail society, but on a much larger scale. These wholesale societies do an annual trade of nearly 30,000,000*l.* The following figures for the year 1901 will give some idea of their purchasing power in regard to certain articles of daily consumption:—

	<i>£</i>
Sugar - - - -	1,790,000
Tea, coffee and cocon - -	1,294,000
Butter - - - -	3,610,000
Bacon - - - -	1,194,000
Cheese - - - -	398,000

They have their agents in various parts of the world for the purpose of making direct purchases from the producers, thus avoiding the expense of middlemen. In addition to these buying agencies the societies have their own factories for manufacturing boots and shoes, furniture, soap, biscuits, jam, butter, flour, tobacco, cigars, lard, cloth clothing, shirts, &c., in which it finds employment for 9,000 workpeople under the best conditions of labour, and is thus able to supply its members with goods sound and pure. I put in a copy of the balance-sheet of the English Co-operative Wholesale Society for the half-year ending December 1901, which gives on page 4 an account of the progress of the society; on page 9, summary of land buildings, fixtures and steamships; on page 11, half-year's output of the productive departments; on page 13, half-year's distributive trade account; on page 15, profit and loss account; on page 17, capital account; on pages 22 to 69, particulars of each retail society's trade with the society. This is a short and imperfect sketch of co-operation as organised in England and Scotland, a sketch that might be elaborated if the Committee desire it. There can be no doubt, I think, of the advantages of co-operative trading over supply organised through a contractor or any other private interest. The contractor works for one object alone—his own profit; the co-operative system has the effect of saving or eliminating profit, inasmuch as it returns to the purchaser all charges over actual cost. Its advantages are better and cheaper goods, encouragement of thrift, and the fostering of a spirit of loyalty amongst the men to an institution which is the common property of all. With reference to the retail stores, which I understand you want some particulars about, I have given a short sketch of our method of working. I shall be pleased to answer any question that the Committee may wish to put with reference to it. I may say, if you will permit me, that I saw Mr. Gray last evening as I was leaving Manchester. He has drawn up a scheme—which I put in (*see Appendix*)—for applying co-operation to Army canteens. I do not know whether it is your wish that I should deal with this matter; I adopt it entirely. I have also brought two balance-sheets for the year 1891 of the Hartlepool Society—a typical society—and a copy of the rules. I put them in as rules of a typical retail co-operative society, along with copies of rules and balance-sheet of the Co-operative Wholesale Society.

4231. Those rules would be of assistance, you think, to the officers of the Army if they resolved to form industrial societies in relation to their own canteens?—I think so.

4232. Is not there a great difference between the Army canteens and your distributing stores in this

respect—that in the Army up to now the store canteens have been managed by the officers and not by the consumers; and the question has arisen whether that difference is not so very vital as to make your co-operative system one that is inapplicable to the Army canteens. I should like to have your opinion on that point?—I think that is not so, my Lord. I think that the system is equally applicable, as I have already said, to the Army. Perhaps the system in the Army might not evoke the same amount of enthusiasm from a few selected enthusiasts, but still I think that the principle of co-operation has in it so much vitality, appealing as it does to the interests of the consumer, that the absence perhaps of that enthusiasm would not have any evil effects. The origin of a retail society generally is with one or two thoughtful enthusiastic men who take a great deal of trouble upon themselves voluntarily. They probably gather round about them a few men, not perhaps so enthusiastic as themselves, who gradually get imbued with the same spirit that has actuated them. That being the nucleus, then steps are taken to make a commencement, and gradually the society begins to expand, and its expansion among people who are not perhaps imbued with that same amount of enthusiasm is owing to the material advantages that flow from the application of the system.

4233. It is not enthusiasm but self-interest that brings them into contact with the society, and they find the advantages are great?—Yes, and I think those advantages will be equally great in connection with the Army. I can well suppose there would not be the same amount of enthusiasm at the commencement; yet I think that absence will be compensated for by what I think is the disposition on the part of some of the officers and others connected with it to help in a work of this kind.

4234. Your view then, as I understand, is this. Assuming that the officers are inspired by a desire to promote the well-being of the men under their command, they will naturally be prompted to take as much interest in the management of their store as a body of workmen who only look to their self-interest?—I think so. The scheme which is embodied in the paper which I have just put in contemplates the organisation of a central co-operative society, with a branch wherever there is a canteen; and in connection with those branches the officers should form a local committee, which should have a kind of supervision; but the details of management and the labour connected with the management would devolve entirely on the central organisation.

4235. You suggest that a central co-operative society should be formed, to be registered under the Industrial and Provident Societies Act. Is that essential? The object of that is to limit your share holdings to 200*l.*?—The object is to give security to the shareholders and to give a legal status to the society.

4236. Why should not it be formed under the Joint Stock Companies Act?—We do not think that the principle of the Joint Stock Companies Acts is so good for our purpose as that of the Industrial and Provident Societies Act.

4237. You avoid paying a big registration fee to the Government; that is one advantage. Is there any other?—There are many advantages. We think that the principle of combination is better outlined for our purposes under the Industrial and Provident Societies Act than under the Joint Stock Companies Act.

4238. However, that is not a vital point?—It is not a vital point.

4239. Then you propose that the society should be constituted by shares of the nominal value of 1*l.* each?—Yes.

4240. And that those shares should be subscribed by officers, soldiers, or other persons interested in the soldier's welfare?—Yes.

4241. And that the society should have power to borrow money from Government funds, or from any person, for the purpose of its business?—Yes; that is a power that all co-operative societies possess—to borrow money independently of its share capital.

4242. They can borrow an unlimited amount?—Not an unlimited amount; the amount of their borrowing powers is usually defined in their rules. In this society the borrowing powers are limited to 100,000*l.*

4243. Their share capital being what?—Their share capital is unlimited.

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4244. You mean that the share capital is unlimited, because anybody can become a member; but, as a matter of fact, what is the subscribed capital of the Hartlepool Society?—The subscribed capital and the nominal capital are bound to be pretty nearly the same. What is wanted by the Society is not share capital altogether, it is members. Then, under the rules, every member becomes a shareholder up to at least 1*l*.

4245. He may hold 200*l*.?—Yes, that is the legal maximum, 200*l*. Then that 1*l*. will be paid by instalments, but it is bound to be paid and bound to be paid within a very limited period of the entrance of the member. Therefore, the subscribed capital is practically the number of shareholders *plus* the amount that they take above the 1*l*. share.

4246. You have borrowing powers of 100,000*l*. in your Hartlepool Society, and I wanted to know what relation that had to your capital actually subscribed?—Our share capital is 65,236*l*., and we have borrowed something like 70,000, I think. This balance-sheet was struck in October last, and the liabilities to the bank and other lenders are 70,660*l*.

4247. What rate of interest do you pay upon your borrowed capital?—The bulk of that money is borrowed from the Co-operative Wholesale Society through our banking department, and it costs our retail society, after a dividend has been taken credit for, something like 3½ per cent.

4248. You can get the capital you require at so low a rate of interest as that—3½?—Yes; and the reason for borrowing this money is not for trading purposes. It was borrowed in order to assist the members to acquire their own houses, and we have supplied them with houses to the extent of 100,000*l*. upon a system of deferred payments, particulars of which are included in the rules. We charge the member 4 per cent. on the net amount remaining to his debit at the commencement of every quarter.

4249. Does the difference between 3½ per cent. and 4 per cent. go to the redemption of capital?—It goes to the profits of the society.

4250. You lend it to him at 4 per cent.?—Yes; and we allow the member to repay any amount he likes during the quarter. The balance is struck at the end of the quarter, and upon that balance we charge 4 per cent. interest.

4251. You meet his convenience in every possible way?—Yes.

4252. You make it easy for him to pay in, and you make it easy for him to draw out?—Yes, that is so.

4253. And what security does he offer when he borrows money to build his house?—The house.

4254. You take a mortgage on it?—Yes.

4255. Do you lend money to enable a man to build a house on leasehold land?—I can see no objection to it, provided the security is kept intact, but we have no leasehold lands in our place—ours is all freehold.

4256. If a similar organisation is established for the purpose of meeting the requirements of the Army, I suppose in your opinion that organisation would be able to meet the soldiers' requirements in ways similar to those you suggest?—I think so.

4257. (Major-General Eaton.) Suppose this scheme were to be adopted, it would be compulsory for all soldiers to become members of this association, or else they could not be served in a canteen. A soldier in barracks has no other place to go to. Outside it is entirely voluntary if a man likes to belong to it. No doubt it is excellent for civilians, but in barracks the man would be apt to say, "I am not going to take a 1*l*. share in my canteen; why should I?" Then he would have no power to deal with his canteen profits?—Yes, we do not exclude the British public from our stores. Everyone is in a position to deal at our stores, whether they are members or not, but when the settling day comes and the profit is to be divided we do not give to them the same proportion as we give to the members who have taken shares in the society and identified themselves with it. So that there can be no difficulty arise in the case of the soldiers who refuse to join the society dealing with the canteen. They would take the place of what we call our non-members, and receive what we call our non-members' dividend, which is usually just half what the members themselves receive.

4258. This virtually would be a compulsory scheme for the serving and supplying of canteens?—I should prefer not to go into the question of the canteens. I have had no experience of the Army.

4259. (President.) Mr. Gray put forward a scheme, which has received your endorsement, for applying the principle of co-operation to Army canteens. General Eaton has asked you whether this does not mean that the soldier who uses his canteen is obliged to buy his goods from a particular source. Now, I suppose I should be right in saying that the answer to that question is this, that it entirely depends upon the management of that canteen; and the committee of management would be able to buy their goods from any source they liked?—Yes.

4260. In your distributive societies, which are affiliated to your great wholesale organisation, the manager, or whoever may be the authority who buys, can go to Lipton or to Dickeson?—Anywhere.

4261. Anywhere he likes?—Yes.

4262. (Major-General Eaton.) The first sentence of this scheme is this, "Any scheme of co-operation to be successful must be universal and apply to all Army canteens." How are you going to get over that difficulty?—I have altered that so as to read "Any scheme of co-operation, to be successful, ought to be universal and applied to all Army canteens."

4263. (President.) That means, I take it, that you believe if this scheme of co-operation were applied the canteens would find it as much to their interest to deal with it as your 1,634 societies found it to their interest to deal with the Wholesale Co-operative?—Quite so. I think, if it were established, the advantages would be so real that they would gradually become members of the central society, just as we find that in our retail societies the advantages are so great that that forms the secret of the enormous expansion that our societies attain.

4264. I may take it that your phenomenal growth, which has resulted in these colossal figures which you have given, has been the result of self-interest?—That is so.

4265. And the working classes have found that it is to their self-interest to trade with their own organisation, managed by their own men?—That is so.

4266. Is it possible for officers of the Army to do for soldiers of the Army what the workmen have done for themselves?—I quite believe it.

4267. A great many officers say it is quite impossible, but you, as a practical business man, think it ought to be possible?—Quite possible.

4268. (Major-General Eaton.) Where you have permanent shops, it is possibly good for civilians; but how can this arrangement come into operation with any chance of success in the case of battalions moving about from one quarter to another?—I do not see very much difficulty in the way. You have a central organisation, prepared to open what we call in our movement, branches. My society has a number of branches within the Parliamentary borough of West Hartlepool, where we are located. We can open any number of branches we choose as the exigencies of the trade require, and we can close them when we choose. In the case of a canteen there would not be the same difficulty that there is with us. We probably might have acquired premises, and we should have to vacate them; but in the case of the canteen I presume the premises could be available, and would be easily vacated.

4269. (President.) And rent free?—Yes; and the branch could be removed from point to point wherever necessary and re-establish its business there, always keeping in touch with the central organisation.

4270. (Major-General Eaton.) Would not those continual movements materially increase the expense and diminish the profits of the soldiers?—I do not think the expense would materially increase when the premises are available and no rent is payable, but in connection with an Army canteen system I do not think the expenses could be very great.

4271. Does it not mean an enormous expense to transfer the goods from the central store in London?—The establishment of a central store in London does not necessarily mean that all the things shall be sent from London. We have our centres established in Manchester, London, Newcastle, and all over the

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country, but we do not necessarily send our supplies from one centre. A great deal of our supply is sent by the manufacturer himself to the spot where it is wanted. It never goes round the country to our warehouse and then from our warehouse to the store. We send direct as far as possible by the manufacturer, or from the market where the article is bought right into our store where the article is required.

4272. But, except in the case of Aldershot, where there are large standing camps, you have to deal with such small numbers?—And we have to deal with very small numbers in our organisation. A balance-sheet which I have here gives the membership of every store, and the Committee will be able to see what small items we have to deal with. Still we work the business on these lines.

4273. What you have said does not apply to the wet canteen; it simply applies to the dry goods, does it not?—We do not deal in intoxicating drinks in our movement as a rule. Very few of our stores deal in them. But there is no reason why they should not. They have been debarred from entering into that trade more by sentiment than by any impossibility in dealing with it. Indeed, we have one or two cases where sentiment has not been sufficiently strong to prevent that traffic, and in such cases they deal with it just the same as with dry goods; there is no difficulty in it whatever.

4274. (President.)—General Eaton's fear, if I may use the expression, is, I think, that the cost of carriage from your dépôt to your small canteen would be so great as to run away with all the profits?—The cost of carriage must fall upon any organisation from which the supplies for the canteen are drawn. If you have a contractor he is bound, just as the central organisation must be bound, to procure his supplies from the producer or from the market where they can be obtained.

4275. Suppose a private firm like Lipton's or Dickeson's had a shop in every town, with a dépôt from which they could draw their goods?—Then Messrs. Lipton must supply that shop from the central organisation; and Lipton's central organisation is in London; he has, just as we have, dépôts scattered up and down the country, from which he draws his supplies; and that would be the case with this proposed society.

4276. Suppose a battery of artillery were to go out on the sea-coast in Northumberland, do you then suggest that its canteen should draw their supplies from the neighbouring co-operative society?—That could be very easily arranged.

4277. And in that way you could get over that difficulty of the cost of carriage?—Quite so. I would point out that the society, organised as is suggested in the statement which I have put forward, and registered under the Industrial Provident Societies Act, would become affiliated with the Wholesale Society both in England and Scotland, the same as our stores are affiliated. It could then draw from any of the dépôts of the wholesale society any supplies it might require. These sources of supply are spread all over the country, both in England and Scotland; and, if necessary, arrangements could be made by which supplies could be drawn from stores in the immediate neighbourhood. There would be no difficulty whatever. But I should like to point out that if a boot is manufactured in Leicester and has to be conveyed to Aldershot, neither Lipton nor any other contractor can convey it over that required distance cheaper than the co-operative movement can convey it. It has to be conveyed by some means or other; and whatever system may be adopted, the distance has to be covered and the cost has to be borne.

4278. And you think you could do it as cheaply as Dickeson or Lipton or any other contractor?—Quite as cheaply.

4279. (Captain Boehmer.) With your knowledge of the co-operative movement, do not you think that, instead of having individual shareholders as has been suggested, the regiments should be shareholders? Could not a regiment by paying 25*l.* or 50*l.* get their share of the profits returned?—That would involve I presume the whole of the regiment joining the canteen.

4280. But then it would be easy to find capital, would it not?—In that event, it would become an organisation almost like our present co-operative organisations—the stores of which I have been speaking. We will say the store is the regiment in West Hartlepool; it becomes affiliated with the co-operative society, and in

this way regiments could become affiliated on some recognised principles with the central store, and so draw its supplies. I do not think there would be any difficulty there. But of course we prefer our method of individual shareholders. We think we secure greater enthusiasm and loyalty through having the individuals bound together in this society.

4281. (President.) I see Mr. Gray suggests, in his scheme which you endorse, that one way of dealing with the profits which might be realised would be that they should be allotted to the soldiers individually, according to their purchases?—That is so. That is the plan we adopt in our movement.

4282. They would then be placed to their individual account as an investment with the society, to be accumulated, and receive interest until their discharge from the Army, when they would receive payment of the full amount due to them?—That is so.

4283. That is, that all the profits realised by the distributive society on the grocery canteen (I am not talking of the wet canteen) should be divided among the soldiers in proportion to their purchases and credited to their account?—Yes.

4284. And it would thus become a savings bank for the soldiers?—The plan suggested in the paper I have put in is this: that the central society should treat the canteen as we treat our branches, and that the profits realised by the central association should be divided on the same principle that we adopt—that is, on the amount that has been purchased and sent down to the local canteen. Now, as to that amount, so allocated and so sent, any expedient that might commend itself to the members or to the officers should be adopted. It could be divided out among the members in cash payments. It could be hoarded and added to their savings if they chose in order to form a banking account, upon which they could draw in case of emergency, or upon which they could draw when their service was expired, or it could be employed, as we know it is employed, in some cases, for improving the surroundings of the men.

4285. For their collective benefit?—For their collective benefit. There is no end to the expedients that might be adopted where you have a sum in hand, and where you have necessities that might be met.

4286. How do you suggest that each separate canteen should be managed in the district branch?—There are several principles adopted. We suggest that the one which has proved exceedingly successful in Scotland should be adopted, and that is that these separate canteens should be allowed to send to the meetings of the society representatives based upon the amount of trade that they do with the central organisation; that if they had, say, a trade of 500*l.* a year, they should be allowed to send one. That of course is a matter to be adjusted in accordance with the necessities. You might make it 1,000*l.* But whatever the amount might be, for that amount or any fraction of it, they should be allowed to send to the annual meeting, where the balance-sheet is dealt with, one representative.

4287. And the interest in the central organisation of each canteen would be in proportion to its purchases from the central society?—That is so if that system is adopted.

4288. (Major-General Eaton.) How are you going to hold an annual meeting. For instance, the year before last, when these regiments were sent abroad, how could you have got your representatives together?—We have representatives, of course, appointed.

4289. But is not that just where the difficulty comes in with the Army, which is on such a totally different footing from civilians?—The difficulty which you refer to is one which makes itself felt with us often—that is, a person who is appointed to attend is unable to attend for many reasons; but another man is perhaps appointed in his place. If a substitute is not appointed, then of course the business of the annual meeting will have to be transacted without his presence.

4290. (Colonel Bridge.) But you think you would get a quorum?—Yes.

4291. One of the arguments which has been used against this wholesale co-operative system as applied to the Army is that it would do away with the wholesome effects of competition which we now have with a number of competing contractors. What do you say on that point?—We have competition in our movement. The fact of our being affiliated with

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the wholesale does not bind us to buy from the wholesale society. We are free to buy from anyone who offers us better terms than the wholesale offers us. We compare prices very carefully, and generally we find it to be to our interest to deal with the wholesale; we can get better value. But we maintain the principle of competition; we have the advantage of the outside market, but we find it to be to our advantage to go to the wholesale society for the greater proportion of our goods. Still we can go outside, and do go outside.

4292. In other words, you have competition in the wholesale market?—Yes, we have the same competition that any other trader has.

4293. (*Captain Boehmer.*) And the test of quality and value is in the competition of the customers, I suppose?—Yes. If the wholesale society submits an article at a certain price and wholesale merchants can submit an article at a lower price, then the wholesale merchant gets the trade. I need not say that on some occasion fluctuations of the market, and so on, give a temporary advantage to this party or that, to this district or to that district, but I would like to point out that there is no tie. The system that we suggest does not propose to tie you to any central organisation. If this society were organised, it could buy from Lipton or buy from Dickinson or any other big wholesale house, or it could buy from the wholesale society. Therefore there would be all the competition that the private trader has *plus* the competition of the wholesale; because the private trader does not buy from the wholesale. So that we really have more competition than the private trader has.

4294. There is a point that has been rather lost sight of, and that is that if a central organisation is formed to supply the canteens, that central organization, as far as the Army is concerned, is a middleman who buys from a wholesale firm or from someone else?—It is a middleman in one sense. If I were to build my own house, and manufacture everything I consumed, you might say I was a middleman. But in the case of the co-operative wholesale one feature of the middleman is absent, because all profits made in the organisation are divided among the members.

4295. Does not every entry and every invoice cause a lessening of the profits of the business?—That may be so; but we are cutting down expenses rather than increasing them.

4296. (*Major-General Eaton.*) Who is to be responsible for losses? If this Army co-operative system had been started two years ago, and an emergency occurred such as occurred then, when certainly 80 per cent. of the regular troops were sent out of England, what would have become of the enormous stores which had been laid up with a view of supplying the Army for the next year, and who is to be responsible for the loss upon those stores left in hand? Would not the bulk of them have been more or less wasted?—Not necessarily.

4297. You might have had to sell them at a loss?—If the scheme were carried out in conjunction with the Co-operative Wholesale or other co-operative organisation, that organisation would always be ready to take stores over, under circumstances of that kind. Goods of that description are generally worth their money in the market. It is only in fluctuations of values that losses occur, and those are very exceptional cases.

4298. But you have to provide for exceptional cases; and who is to be responsible, for you cannot make the private soldier responsible for the loss, I imagine?—The society would be responsible.

4299. What is the society?—The society would consist, of course, of the various regiments in the one case, or of the members who joined the society in the other.

4300. Then it would be making the soldier responsible?—Not unless he becomes a shareholder, and then he would only be responsible to the extent of his shareholding.

4301. (*Colonel Lambert.*) Suppose I have a branch in my regiment and a certain amount of stock on hand, and that, owing to some unforeseen circumstances, some loss occurs, either owing to unexpected moving or other circumstances, on whom would that loss fall? Would any loss which might occur fall on the branch or on the central organisation?—It would fall first, I should say, upon the profits made in the canteen.

4302. In that particular branch?—Yes, I should say so; and then on the central society eventually, if there were any loss.

4303. (*President.*) Suppose a regimental canteen were affiliated with the Wholesale, the Wholesale would be prepared, I suppose, to take back from it its unconsumed stores if the regiments were to move from that centre to another part of England?—I have no doubt of that whatever.

4304. Soldiers have their fashions; a regiment comes in and occupies barracks which have been vacated by the outgoing regiment, and takes over in the canteen on the spot the unconsumed stock left there by the outgoing regiment. Then the soldier perhaps says, "We are not going to eat this nasty stuff which has been left here by the fellows who were here before us; they have left us their rubbish"; and, although it may be very good, they have a prejudice against it. Under similar circumstances, as you think, the central wholesale would take over the stock?—I have no doubt whatever the central store would deal with the matter. I do not know that any loss need occur. We have had some difficulties, owing to changing fashions, in some stores; but there would in this organisation presumably be the same prudence in buying as prevails in our various stores. Things would not be bought carelessly or rashly; and if any surplus stock were left that could not be realised, it would be easy to shift it from that position to another where it would find a market; and I have no doubt in that case the Wholesale Society would assist.

4305. (*Major-General Eaton.*) You have permanent stores; but in the Army you may have barracks vacated for a year and a half?—The stock would have to be removed.

4306. There comes in again the cost of carriage backwards and forwards. You have to move it somewhere; who is to pay for it?—Somebody has to pay for it, whatever is the organisation.

4307. But how is the soldier going to profit?—I suppose it is not anticipated that these remarkable changes will take place except at long intervals. I assume they would not be of weekly or monthly occurrence. They would be purely exceptional occurrences, I presume.

4308. But all these things have to be provided for?—In our stores we have changes of fashion, which cause loss of considerable quantities of stuff, and private traders have the same difficulty. The co-operative society applies to various other societies, "Will you help us off with the stock of goods that we have?" and they are worked off in that way. If it is not possible to work them off to the neighbouring societies, the Wholesale will deal with the matter; but they will not carry the stock away to London or to Manchester, for they have their customers in retail stores round the neighbourhood, and they shift it over to other stores.

4309. (*President.*) Does not the same difficulty arise whether he gets his stock from Lipton or from a co-operative society; or does the fact of his getting it from a co-operative store create any additional difficulty?—Not at all. A telegram to the central office would probably bring a man down to deal with the whole matter.

4310. And you think his being a member of the central co-operative organisation would help an officer to get rid of his unsold goods if he had a sudden order to leave his barracks and go elsewhere?—I certainly think so.

4311. (*Colonel Bridge.*) In other words, that is a risk incidental to any sort of trade, and the soldier pays for it now as he would pay for it then, only not quite so directly?—Quite so.

4312. (*Colonel Lambert.*) But you said just now, I think, that the members derived certain profits and non-members less profits: therefore would not the branch lose the profits of the non-members?—No, the branch gains the profits or half the profits on the non-member's trade: because obviously there is the same profit from all the goods passed over the counter whether to a member or a non-member, and the profits are lumped at the end of the quarter; and if you pay to one portion of your customers half the dividend you pay to the other, it must have a tendency to enhance the dividend that is paid to your members.

4313. It goes to them all the same?—Yes.

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4314. Then as to the question of working: you would have a branch manager?—We have a manager in charge of each of our branches.

4315. No matter how small the branch?—No matter how small the branch.

4316. Who are the managers chosen by?—By the committee.

4317. Of that branch?—Of that branch. Permit me to say, though, that sometimes in the case of large stores that duty is taken over by a general manager; but, generally speaking, it is done by the committee.

4318. If a small branch is opened in a village he is the person then who decides on the class of goods which he thinks would be wanted?—Yes, he knows the requirements, and his judgment is relied upon to obtain the supplies that are needed.

4319. Then the people who are actually employed in the distribution of the goods are chosen by the branch manager?—No, generally by the committee.

4320. Supposing a regiment became a branch of the co-operative movement, the work of choosing the manager and the people employed would presumably fall upon whoever was most interested, obviously the Commanding Officer?—Not necessarily. The central organisation could be charged with the duty of appointing the necessary officials; or, if it was thought desirable, it could be kept in the hands of what is suggested there, a local committee consisting of the officers.

4321. (*President.*) Under the scheme which you have submitted to the Committee, you suggest that, in place of the consumers' committee, the regimental officers should form a committee among themselves?—Yes, as more likely to be suitable for the Army.

4322. And, applying your co-operative principle to their concern, they would naturally be the people to select the manager?—That is so.

4323. But if they said, "We do not want to be bothered; we are not good judges of managers," then you suggest it would devolve upon the central organisation?—Then it would devolve upon the central organisation.

4324. Could the officers rely upon the central organisation sending out a good man?—Certainly.

4325. Have you any difficulty in getting good men? Not the slightest.

4326. Roughly speaking, how many committee men have you looking after the affairs of your 1,634 societies?—I should say you could multiply the 1,634, probably, by 12 or 15.

4327. Therefore, you would have about 20,000 committee men?—Yes.

4328. All trained in the management of stores?—Yes, more or less.

4329. And you say that you might draw upon those 20,000 committee men, to find managers for your Army canteens?—Yes. They have all had a training, and they all know the work pretty well.

4330. In all businesses there are a certain number of failures?—Yes.

4331. And I suppose even in your distributive business, in spite of the strong position you have reached now, in your early days you had a large number of stores which failed through bad management?—I do not think there have ever been a large number (as compared with the whole) to fail. But we have had many stores fail through bad management.

4332. Was your experience of failure more common in the old days than it is to-day?—Yes, much more.

4333. You have now organised your system so thoroughly that instances of failure are few and far between?—They are very rare, indeed.

4334. But formerly they were more common?—Much more.

4335. Now that you have an army of 20,000 trained committee men, most of them versed in the management of co-operative stores, to draw from for the officials you wish to appoint for the management of a store here or a store there, you ought to be able to get good men and have very few disappointments?—We do get very good men, and we have little or no difficulty in getting them. In addition to the 20,000 committee men, we have a much larger number of men in

our movement who have been trained in subordinate positions. They commence with us as boys. They work their way up step by step in the stores, and acquire a thorough knowledge of store management; and these also would be available.

4336. You are now talking of the employees in the store?—I am talking of the employees in the store, who are in addition to the committee men.

4337. How many subordinate employees have you in the distributive movement?—I have not the least idea.

4338. 2,000?—A great many thousands.

4339. On an average more than two to each store you have?—I should say that on an average to each store we have 10.

4340. Then that is another 16,000 to draw upon?—Yes.

4341. So that you have 20,000 trained committee men and 16,000 trained employees brought up in this business from whom you could draw for your responsible positions?—That is so.

4342. Will you kindly tell the Committee what is the smallest society that, according to your experience, can run a store profitably?—So much depends upon circumstances. I know of societies running with 50 members.

4343. Have they got a manager to themselves?—No; in those cases they do not employ a manager. In many of those cases some committee man, more enthusiastic, perhaps, than the others, acts the part of a manager. In some cases they do not keep the store open the whole day; they only open it certain times when this person attends. It is manifestly impossible for a small store of 50 individuals to employ a manager and pay an adequate wage, and so on. If they did that, they would have to sell goods at a higher price probably than ordinary traders, and the store would not live. But I should say there are stores with from 150 to 250 members doing well with a manager, and probably a secretary, who keeps the accounts in his spare moments.

4344. Let us take a unit of 250 members who use the store. In order to run that store, what do you require; who are your paid officials connected with that store?—You generally have a secretary.

4345. What do you pay him?—For a store of that magnitude he need not be a secretary who devotes the whole of his time to it. In such a case it is usually a man who is following some other occupation—probably a man in the position of a foreman in some works in the neighbourhood—and he gets paid perhaps from 12*l.* a year upwards. He does the work in his leisure moments. And in those cases where the man is not devoting his whole time to the work, 12*l.* would be about the payment.

4346. Take the case of an Army canteen, would you get a permanent resident in that locality, who has some other professional work every day, to do the secretarial business of the Army canteen in addition to his existing duties?—No. I think we should prefer that the management should rest with the committee of officers as suggested, or in the hands of the central organisation. If some one connected with the Army, capable of keeping the accounts of the store and transmitting them to the central organisation, could be found, that would certainly not be an objectionable method.

4347. The present practice of Army canteens is for one of the officers to count the coppers. I do not know how many hours a day this work takes him, but is not that a little detail which might easily be handed over to a man in whom you had confidence, who could do it on a small salary?—We usually have a treasurer who takes that part of the duty. We have two officials as a matter of check. We have one taking all the cash and keeping it in his control, and one keeping the accounts who has a check upon him. That duty is performed of course by the treasurer, who takes charge of all the cash from the shopman in the stores, and either banks it or deals with it under the orders of the committee—those are the officers of the society. Then, next would come the manager of the store, and the various employees engaged in the store management. Those, of course, are large or small in number in proportion to the size of the store itself. In other societies, where the secretary is employed all his time looking after the

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store, the salary paid is from 150*l.* to 300*l.* There is also a treasurer, but sometimes the treasurer is dispensed with and the local bankers are made the treasurer, and all moneys are paid into the bank by the manager of each department and accounted for to the secretary.

4348. Of course, in what we call a dry canteen, that is all easily done; but when you come to intoxicating liquor it is, I suppose, a different thing?—I have had no experience of intoxicating liquors; we do not sell them at our stores. But I do know stores where drink is sold.

4349. Can you suggest to us the name of a possible witness who could give us evidence as to how they manage a wet canteen upon the co-operative principle?—I cannot for the moment, but I will endeavour to find one.

4350. (*Colonel Lambert.*) In the branches, who takes the stock?—Usually the officials of the branch, that is the manager of the branch; perhaps his principal counter-man and one member of the committee is appointed.

4351. What guarantee of probity of the employees is there?—With reference to all who are concerned with money we have a guarantee, either by a guarantee society or in some other way.

4352. You employ nobody in a position of trust without a guarantee?—Not in charge of money.

4353. (*President.*) What sort of guarantee do you take?—We usually take our guarantees through the Co-operative Insurance Society—our own institution. They guarantee the *bond fides* of employees for an annual premium.

4354. Does the employee himself enter into security as well?—In some cases he does. The treasurer of my society deposits security with the society, and I have it in my safe to the amount of 1,500*l.*—deeds of property with a proper bond drawn.

4355. (*Colonel Lambert.*) But cases of speculation are very rare, are they not?—Very rare indeed. We have in each of our stores a check system by which we can detect any speculations that may be going on. With our check system we cannot have anything very serious. A customer going to one of our counters and spending a sovereign receives from the counterman a paper check with a number upon it, and the amount which has been spent. By means of black counterfoil paper a similar check is struck below. The customer takes his paper check to an office where girls are placed, and he receives, in exchange for that paper check, a metal check, which he takes away with him, and which he has to pay in at the end of the quarter in order to show the amount of his purchases. The paper checks which have been taken by the girls (and I may say that we have different-coloured books in the hands of each shopman, so that a yellow check indicates that it was given out by Smith, and so on) are all put on to a range of files in the check office; and during the day, when there is an opportunity, the numbers are all copied on to sheets of paper, the amounts are totted up, and at night the girl gives to the manager of the store the amount of money that Mr. Smith ought to have. Then, without any collusion between the manager and Mr. Smith, Smith has counted his money over and it has been handed to the manager and entered in a book, so that he has no conception of what the amount on this sheet is. But these are sent up to the office under cover, and then the whole thing is compared during the following day, and any discrepancies which may be discovered are gone into at once and investigated on the spot.

4356. (*Major-General Eaton.*) With reference to the board of management, the suggestion here is that the central society should be managed by a board of seven members elected by ballot at the annual general meetings of the society. Is it proposed by this that the board should be elected from the consumers?—Elected by the representatives of the consumers.

4357. The soldiers?—Yes.

4358. Then, virtually, the soldiers are to elect the board of management?—If that suggestion is adopted. But if the suggestion which is thrown out here, that the regiment should be the unit associated with the central society, is adopted, the regiment would appoint the representative.

4359. (*President.*) Looking to your large number of members, 1,800,000, is it not rather a remarkable thing

that the Army has never come into the co-operative movement?—It is very remarkable.

4360. How do you account for it?—It is difficult to account for it.

4361. Why do you think they should come into the movement?—Because I think the advantages to the Army would be just as great as they have been to other parts of the population. We would never have got the membership that we have if there had not been great advantages associated with it.

4362. Will you summarise in your terse manner the advantages that you think the Army might derive from becoming connected with the co-operative movement?—Better goods, and by better goods I mean better in quality and purer in quality—that is, freer from adulteration.

4363. That I presume will be disputed by your competitors?—It may be disputed; but I am asked what advantages, I, as a co-operator of 20 years' standing, think I am securing from my store. I say better goods in quality and purity. And cheaper goods; because I am buying from my store practically at the lowest wholesale price *plus* the cost of placing them into my home. When I say I am buying them at the lowest wholesale price I mean that an organization that can go into the market and buy in one year 1½ million pounds worth of sugar is likely to buy that article cheaper than a small wholesale man. I am therefore getting my goods cheaper and better. Then, in addition to that, we have the incentive to thrift which our movement supplies. We find that when a working man begins to deal with a society like ours, and finds at the end of a quarter that he has perhaps a sovereign standing to his credit, the instinct of thrift is immediately awakened, and he begins to think "I can spare a few shillings here, and a few shillings there," and he begins to pay those few shillings into the store. Then at the end of the following quarter comes another dividend upon his savings, and that being added to his own savings, dividend upon dividend, and interest upon the whole, he finds that the sums standing to his credit are growing rapidly, and so the instinct of thrift is cultivated, until at last the man becomes a saving man. We find that these are the great advantages connected with our society. Then of course there are other advantages, such as the facility which it offers the working man of acquiring a house of his own.

4364. Is it your experience that the members of the Co-operative Society usually leave their money in to the credit of their account; that they do not withdraw it?—We have all sorts in our societies. I do not say that that instinct of thrift is awakened in every one, but it is in the great majority; and we find that the amount standing to the credit of our members is gradually getting larger and larger until at last it reaches 200*l.*, which the law has fixed as the limit of his savings with us. Then he has to take it out of our charge and place it somewhere else. Then he probably buys a house with it, and puts his wife and family into it, and then the process goes on of accumulating another 200*l.*, which probably finds its destination in another house that he adds to the first, and so it goes on.

4365. Do you suppose that there are a large number of men who started simply with their pound investment and receiving a bonus on their purchases left the dividends to the credit of their account, and thus have gradually acquired so large a sum as 200*l.*?—There are a great number. I could give you, any time, no end of instances of that kind that have come under my own observation. But, speaking as a secretary of a store with 7,000 members, I should say running through our share account we have had hundreds in our society with 200*l.*

4366. That is the Hartlepool Society?—Yes, and there are many who have drawn out of the society and put their money elsewhere.

4367. And who have become householders?—And who have become householders. Some have become shipowners, that is they have taken a share in a ship. The law has placed 200*l.* as the limit of their savings with us; and we have to call their attention to the fact that if they allow it to remain with us they can receive no interest from it. So that they are bound to find some other investment.

4368. So that the snowball, which began with very humble dimensions, goes steadily growing and growing?—Yes.

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4369. If it had not been for the society, what do you suppose they would have saved?—Very little. We find we get hold of the better class of the working people.

4370. Do you think the moral influence of the co-operative movement on the character of the members of the society is a very good one?—It is.

4371. Of course you cannot very well compare two such different things, but still I should like to have your opinion; do you consider the moral advantages as great as the pecuniary advantages?—Yes, they are even greater still. I have had opportunities of seeing the change which the co-operative methods have wrought in men intimately known to myself, and those instances known to me could be multiplied in our movement to an enormous extent. The character of the man has been completely changed. Instead of being a thriftless man and careless as to his wife and family, he has gradually grown into a thrifty, careful, thoughtful man, and the home has become a better home, and in every respect the character of the man has been enormously improved.

4372. Do you think that if this principle were applied to the dry canteen of the Army, and the bonus available for distribution was credited to the individual account of the soldier in proportion to his purchases, the same influence which has operated so strongly with the civilian class, would operate equally with him?—I think so. There is a great deal of human nature in a man, and whether he is a soldier or a civilian he responds to the same influences.

4373. Then I come again to my question, why is it that the Army is outside this movement?—I think it is a very lamentable thing that it is so.

4374. Is it not a very remarkable thing, if you have all these advantages, that they have not come into it?—It is very remarkable.

4375. Is there any reason why they cannot come into it?—I have not the slightest conception of any reason. It is open to the Army. Indeed, as I have expressed in the few remarks I made at the commencement, I think the Army is more amenable to co-operative methods than a good many of our working men, some of whom are working here and some working there without any common bond of union amongst them, but just attracted by the advantages that co-operation is offering to their mates in the shop. I think the Army ought to be brought within the influence of those principles, and I think the day would never be regretted if it were so. I think it would improve the British soldier, that it would improve his position, and would give him an ideal to work for. I think they would be interested in the store and the canteen, as other working men have become interested.

4376. (*Colonel Lambert.*) Are there any works in the North of England who have formed a branch of their own?—There are collieries where the whole of the men are members of the store, and the whole of the members of the store are employed at the colliery. But in every case that I know of the society is organised as a co-operative society; but is co-terminus practically with the employes of a particular colliery.

4377. (*President.*) But anybody can become a member?—Yes.

4378. And Colonel Lambert, if he happened to take a house in the neighbourhood of that colliery, could become a member of it?—Yes.

4379. (*Colonel Lambert.*) But is there any case where people who run a colliery or a shipyard have formed a branch of the association for the people they employ?—No, I cannot give any instance of that kind. But I could give many instances where co-operative societies (as for instance in Newcastle) have a number of branches, one branch of which may consist exclusively of employes in a particular works.

4380. (*President.*) Have you ever within your experience come across any instance of men in responsible positions like a canteen manager or a co-operative store manager being bribed?—Oh, yes. We have the same evils to combat in our movement as there are outside. We have had instances during the last few years where it has become known that managers of co-operative stores have been bribed. Of course, our union and the co-operative organisation have taken the matter up, and done all that it possibly could do. We have had these people expelled, and our efforts are always employed in the direction of purifying our trade from

influences of that kind. I believe there is less of it in our movement than there is any other branch of trade in the country.

4381. You have a pretty wide experience of the general trade of the country?—I have had a very wide experience.

4382. And you think this commission-offering and commission-taking is very extensive?—It is almost universal.

4383. Throughout the trade of the country?—Yes. I have been offered bribes often. In every direction you meet with offers of that kind.

4384. And people are very much surprised when you refuse to take anything?—Very much surprised.

4385. They think you do not understand business?—I do not know what they think; but they are very much surprised if it is not taken.

4386. It is such a matter of course, and such a general rule, to accept, that people have lost the sense of there being any dishonesty about it?—That is so.

4387. Do you think that anything can be done, either by legislation or otherwise, to check the system of offering commissions or to make it more difficult or less usual than it is?—That is a very difficult question to deal with. We gave the Bill that was promoted by the late Lord Chief Justice (Lord Russell of Killowen) all the support we possibly could. But it is a very difficult thing indeed to deal with. I am sure I do not know what legislation would be possible; but we find that our movement is freer from it because of one particular thing. In my society in Hartlepool, for instance, we have 7,500 members, and their eyes are upon you all round. If anything was going wrong in connection with our store, there is, I think, a greater chance of it being found out where you are living in an argus-eyed society like that than when you are dealing with a few people who are not brought into intimate relationship with the management.

4388. If you have a dishonest manager he will be stealing from 7,000 men?—Yes, and one of those 7,000 men is sure to find him out; and the interest which is taken by the members in the store is very great. Gentlemen here would be astonished to find the interest that is taken, and how the stores are watched and attended by the members. They will walk down to the stores after tea as a matter of interest for their walk, instead of going into the country. These men are watching all the time, and if there were any inferiority or bad quality of goods it would be enquired into at once; and it is obvious that a person cannot be bribed in our society without taking it out of those 7,000 men, and the quality of the goods would be affected at once.

4389. How long have you been a co-operator?—Twenty years.

4390. May I ask you what you were doing before?—I used to be with the North Eastern Railway Company. I was with a firm in West Hartlepool, Messrs. Pyle, Spence & Co., shipbuilders. I have had also considerable experience in connection with the iron trade.

4391. What is your position in the co-operative movement to-day?—At present I am chairman of the Newcastle branch of the Co-operative Wholesale.

4392. Has your society buyers, or do you buy through the Manchester Wholesale, which has its office in Manchester?—I have already said that we have our buyers in all parts of the world.

4393. Are they appointed from Manchester?—They are appointed from Manchester, London and Newcastle. Our committees are joint for all those things that we pursue in common. But they are appointed by the committee of the society, and they are appointed in all parts of the world for the purpose of buying.

4394. And you maintain that you buy on such a large scale that you can buy more cheaply than the biggest trader you have to compete with?—Yes.

4395. You pay ready money?—Yes. Then we produce an enormous quantity of our articles ourselves, and in those instances, of course, we take the profit from the commencement of the process, and we have no middleman intervening. We manufacture the article and pass it on to the stores without intervention of any kind.

4396. (*Colonel Lambert.*) Has it ever occurred to you that one of the buyers of the Wholesale Co-operative

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made a mistake in buying, either as to quality or quantity, of such an extent as to cause an appreciable loss?—We have had losses, but generally owing to the change of markets. You sometimes cannot avoid that.

4397. (*Colonel Bridge.*) But not from bad buying?—We have had instances where the buyer has shown lack of ability. I have two instances of that sort in my mind now. In such cases their conduct came before the Committee very quickly, and they were both of them discharged.

4398. It did not very appreciably affect the dividend?—No; the loss of 20,000*l.*, or 50,000*l.* even, would simply be lost in the enormous profits that are made. If you were to look at this balance-sheet you would find that losses of this kind would absolutely disappear.

4399. Is your Co-operative Wholesale entirely financed by the shareholders?—There is loan capital, and the loan capital of the Co-operative Wholesale Society at the present moment is about one million and a half, it is 1,528,714*l.*

4400. And that borrowed at 5 per cent.?—At 3½ per cent.

The witness withdrew.

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Mr. W. T. LEWIS, called and examined.

4406. (*President.*) I understand you are the manager of the Soldiers' Institute at Woolwich?—Yes.

4407. Have you a big trade there?—A very big trade, with a turnover of from 1,400*l.* to 1,700*l.* per year.

4408. Is that sufficient to show a profit?—I have the profits down for the last three years. In 1899 the cost of the stock was 909*l.* 3*s.* 2*d.*; the gross profit, before expenses were taken out of it, was 281*l.* 18*s.* 11*d.*; the net profit was 113*l.* 2*s.* 9*d.*—that is after paying expenses. We paid wages, coal, gas, water, cleaning, wear and tear. In 1900 the cost of the stock was 1,328*l.* 9*s.* 4*d.*; gross profit, 430*l.* 6*s.* 8*d.*; the net profit, 155*l.* 0*s.* 5*d.* Last year the cost of the stock was 1,273*l.* 17*s.* 9*d.*; gross profit, 416*l.* 11*s.* 7*d.*; the net profit, 145*l.* 1*s.* 8*d.*, and for the last quarter the gross profit is 31 per cent.

4409. Is there any beer sold in this?—No.

4410. That is entirely profit on dry goods?—Yes, minerals of course, tea, coffee, anything of that description.

4411. Are you an old soldier?—I have been 12 years in the Service.

4412. Have you had charge of any regimental institute?—I had a coffee shop in the 14th Regimental District, given to me really because they could not make me regimental quartermaster-sergeant. They gave me that previous to leaving the Service. When I took it over I was getting 6*d.* extra a day. The takings were only 10*s.* a day. But some time before I left it they were 4*l.* a day, and they rose me up to 1*s.* 6*d.* There, of course, we did a different class of trade from what I am doing here. For instance, sandwiches and big cakes were more in the line of the recruits there; whereas where I am now situated sandwiches will not take, and I am between two stools.

4413. In addition to your experience in dry goods, have you had experience of the wet canteen?—No.

4414. Where do you get your supplies from?—I deal at Lipton's for tea and jams; wholesale—nearly paper price—for sugar.

4415. From whom?—From a man named Green, wholesale dealer in Woolwich, for sugars and things of that description. Flour I get from Mellaish, of Camberwell, and no one else has been able to supply me with the quality at the price; neither the Army and Navy Stores or Lipton's, or any other firm I have dealt with.

4416. Have you ever tried the Co-operative Wholesale?—No.

4417. Why not?—For the simple reason that I object to paying 2*d.* extra for an article and getting 1½ back, and that is what it amounts to.

4418. How is that?—You pay about 2*d.* in the 1*s.* more for an article, and if they see fit at the end of the quarter they give you a rebate which sometimes

4401. (*President.*) Has the Co-operative Wholesale taken any special action to secure the trade of the Army?—No.

4402. Why not?—We have never had our attention called particularly to the Army as a field for co-operative propaganda. I do not know whether I can explain myself exactly: but there is a feeling that the Army somehow or another occupies a very exceptional position, and that civilians are kept at arm's length, so the matter has never been brought prominently before us; hence no action has ever been taken.

4403. Yet I suppose Tommy Atkins is very much the same sort of man as the man who provides the great bulk of your trade?—Very much so. I can see no reason why the Army should not become a subject of co-operative propaganda—none whatever.

4404. But you have never tendered for the supply of a canteen?—I cannot recall any instance where we have tendered. I do not think we have ever been asked to.

4405. And you would not push yourself into the barracks unless you were invited to go there?—No.

comes to about 75 per cent. of what you have paid over and above what you would have paid to anybody else.

4419. Have you ever tried them?—No, I only go by hearsay.

4420. Who has told you that?—Different people whom I have asked. I have asked them where they get their goods from. I occasionally ask soldiers and different people where they get so-and-so from, and I have found they are paying more than I am, and I suggest to them that they should buy at my place.

4421. You suggest that people who deal with a co-operative society lose ½*d.* in the 1*s.*, or 10*d.* in the £, on their purchases?—Yes. They cannot save money themselves, and I suppose they think it is a very good thing for them to save money.

4422. Who think that?—Many individuals. I think if I had been serving when the 3*d.* a day messing came out I should not have drawn it, but my deferred pay which would have been saved for me.

4423. Your idea is that the chief inducement to trade at a co-operative society, such as the Woolwich Arsenal, is that it is a way of saving money; that it is an inducement to thrift?—Yes.

4424. But you do not think that you get your money's worth?—I do not.

4425. But you have never 'made the experiment yourself?—I had a slight experiment in York; but only a small amount.

4426. How long have you been in Woolwich?—Five years this last January.

4427. When were you in York?—In 1883 to 1886.

4428. You have not made any experiment with the co-operative society since you were in York?—No.

4429. And your experiment was not on a large scale?—Not on a large scale at all.

4430. But you say you have mixed a good deal with people who have used these stores, and have found that their motive is not to get a cheap article in return for their money, but to use it as a savings bank?—For buying clothes for the children at the end of the quarter.

4431. But if a man can get more for his money by going outside, why should he not go outside?—Then he does not bank it.

4432. You suggest he is simply cheating himself?—Yes.

4433. That he has no self-control?—I am that way myself a good deal.

4434. You suggest, then, that they lose 10*d.* in the £ upon their purchases in order that they may get 4 per cent. on an investment; is that very good business?—It is very good business for the Arsenal Co-operative.

4435. But is it a good business for a thrifty man if he willingly pays 10*d.* in the £ more than he ought to

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pay in order that he may have an opportunity of getting 4 per cent. upon an investment?—Undoubtedly he would spend that money. I illustrate that by the Reserve pay and the extra messing. If I had been serving I should have spent it, and at the end of my time I would have got nothing. But my 2d. was still going on, and I should still have that Reserve pay to come.

4436. As a matter of fact you have never bought anything you wanted for your institute from a co-operative store?—No.

4437. What attractions are there in the institute?—Practically everything. There is billiards, bagatelle, draughts, dominoes, gymnasium, reading, concerts during the winter months.

4438. What sort of entertainments?—We have one every Tuesday night during the winter months, and occasionally others.

4439. Are they popular?—I suppose between 400 and 500 attend; sometimes there is not standing room.

4440. Can a man bring his friends?—Yes, a soldier can bring one friend, male or female.

4441. Have you ever known this privilege abused?—No, never.

4442. Are men able to entertain their friends?—Yes, they can entertain their friends.

4443. They can ask a friend to come and have some tea?—Yes, and there is a little private dining-room for that purpose.

4444. May they have beer there?—No.

4445. Is that a good thing, or a bad thing, in your opinion?—That I do not know.

4446. You must have thought it out. What is your opinion?—The objection I should have to it would be that the people would be more likely to come there for a glass of beer, and then might stay and get a little tottery. I never allow anybody in the institute if they are tottery, for the simple reason that it leads to disturbance. But I am happy to say that that is a thing that is practically unknown in our institute.

4447. How is the big hall used?—At the present time it is used mostly for miniature target shooting, and on Monday and Friday evenings there is a boy's club, with gymnasium, parallel bars, horizontal bars, and gloves.

4448. How is the money found for that?—Colonel Barrington Foote gave a portion of it, but the upkeep comes from the institute. Then on Thursday nights there is a lady from the Polytechnic, a retired officer's daughter, who instructs the children of the garrison and others in wood carving, knitting, and different descriptions of sewing.

4449. Is that well attended?—I suppose from 70 to 100.

4450. How many people do you suppose frequent that institute on an average winter night?—Some hundreds. The institute was opened in May 1894, and it was found practically necessary, in order to save them from breaking their neck, to renew all our stairs. In three years the stairs were regularly worn out. That is the best example I can give of the attendance at the institute.

4451. I gather from that that it has been of very great use?—Very great use.

4452. And it is much appreciated by the soldiers and their friends?—Yes.

4453. Do you think it would be desirable to have similar institutions in other barracks?—I do not think you could better it in any shape or form.

4454. Do you think that the want of similar institutes drives men to the wet canteen?—Yes; of course they come into our place, and if they see a chaplain they are not afraid of him. The chaplains come in and play draughts or dominoes, and are not afraid of their talk.

4455. It is a real club?—Yes.

4456. It is a real club, with an atmosphere of equality and freedom?—Yes.

4457. You do not pretend to make them goody by putting up texts and things of that kind?—No.

4458. Are there many letters written in the writing room?—Last year between 31,000 and 32,000. But the year before that, when there were a great many men

going up for the Reserve, there were over 40,000 letters written. Instead of putting the paper and the envelopes on the table for them to scribble upon and throw on the floor, we serve them from the bar, and as they want a stamp, we give them a commercial post office envelope with a sheet of paper, and if they want more paper they can have it, or if they particularly want a plain envelope they can have it. In this way the writing room is kept clean, and we are able to record the number of letters. We only charge them a penny.

4459. The penny stamp carries the paper and envelope?—Yes. We loose 5d. a hundred on the envelopes, without taking into account the paper.

4460. The stationery is a present to them?—Yes.

4461. Do you know what that costs you?—I could not tell you off-hand, but about 10l. to 15l.

4462. That is a present from the institute to the men; and is that facility much appreciated by the men?—Yes. We very often have to put down additional pads for the men because too many men have been waiting to write.

4463. Do you supply them with pens?—Yes, and a suitable table. There are about 19 pads in the room.

4464. Have you a library there too?—We have a library, but for books they go rather to the library they have in their barracks.

4465. This is outside the barracks?—It is outside, but it is practically on the borders of the barracks.

4466. Do you pay any rent for it?—We pay a nominal rent to the treasurer.

4467. Who put up this building?—Colonel Barrington Foote got the money for it.

4468. Do you know what it cost?—10,000l. for the building, but then there were the fittings.

4469. How many soldiers does it cater for?—I have on occasion counted 130. Numbers of times I have counted over a hundred in the club room at the same time.

4470. Do you suppose that it would meet the requirements of the regiment a thousand strong?—Yes, I think it would be rather too much. There is one item the men use more than any other; we have some very elaborate baths for them, and on Saturday they come in large numbers. My largest number on Saturday is 117; the average number on Saturday is 73. Saturday is generally their washing and changing day. On other days I have had as low as one; but I suppose about 9 would be the average, except on Mondays and Fridays, when we get 30 or 40.

4471. What do you charge a man for a good meal there?—I give them meat and two vegetables for 6d.

4472. What do you charge for a cup of coffee?—A penny, and pudding a penny.

4473. He gets his meat, two vegetables, coffee, and pudding for 8d.?—Yes.

4474. Are they allowed to play cards?—We have not any cards in the place. We had one time, but some of us thought there was a tendency to gamble, and we had to put it down.

4475. Have you got billiard rooms?—There are three lovely tables in the saloon.

4476. In one room?—Yes.

4477. Do you charge for billiards?—3d. per 100. The average takings are between 7s. and 8s. 6d. a day.

4478. On the three tables?—On the three tables. That represents about 10 games on a table a day.

4479. Does that keep the tables?—Yes, it keeps them, with a profit.

4480. What sort of a profit does that leave?—The profit on billiards last year was 14l. 2s. 1d.

4481. Do you keep a marker?—Yes; our marker costs us about 25s. a week.

4482. And you debit him to the billiard tables?—Yes.

4483. And do you debit the billiard account with any share of the rent?—Yes.

4484. And depreciation and interest on the capital put into the billiard tables?—No, the cloths come out of that. Last year we did not buy any cloths, but we

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had to have them all turned. We paid Burroughs and Watts, I think it was about 10*l.* last year.

4485. For renewals of cues and cloths?—Ycs.

4486. Are those three tables generally full?—In the evenings.

4487. In summer evenings I suppose they do not come in?—More or less all evenings. In the daytime they are not able to use them so much, on account of their duties at barracks.

4488. You say your charge is 3*d.* a hundred. Have you a time limit?—Yes, the limit is 20 minutes for 50, and 40 minutes for 100.

4489. So that if they take an hour they pay in proportion?—We do not let them take an hour. If there is nobody waiting we let them play on; but if any men are waiting to play, the others must stop at time limit.

4490. But if a man is waiting you turn them out after 40 minutes, even if they have not finished their game?—Yes, it is a well-known fact. Then I have a check on the time, and on the marker. On the top of my check of counterfoils is the number of the table, the date, the names, and whether they are playing 50 or 100, and the time of starting. Then I occasionally go round and see how this corresponds with the time. If it is past the time, and I see somebody else is waiting, I tell them so. Therefore I am able to check the marker as well as the men. In order to prevent any collusion between the marker and any player, one of my rules is that the people playing without a ticket will pay twice the amount for the game. That prevents collusion.

4491. (*Major-General Eaton.*) How many people do you employ altogether?—I have just increased the staff by one man on account of the shooting gallery: but there are 12, besides myself and my wife.

4492. (*President*) Are all the wages and everything connected with that institute all paid out of the takings?—No. The bar pays for their own staff—cook, kitchenmaid, barman, assistant barman, and scullery maid.

4493. Who pays the wages of the others?—The house. There are over 1,000 panes of glass in that institute cleaned every week; every room is cleaned every week.

4494. Who pays for that?—Outside the places that pay, that is, the billiard rooms, baths, beds and laundry, the house has to pay.

4495. What do you call the house?—The subscriptions; for instance, my money would come out of the house.

4496. And that is in addition to the profits on the purchase and sale of goods, and so on?—Yes.

4497. Then it is not self-supporting?—Because there are so many places in which there is nothing to pay—where they can go and sit down.

4498. What is the annual cost?—700*l.*

4499. (*Major-General Eaton.*) How much are the takings of the bar?—Last year the total receipts were 1,690*l.* 9*s.* 4*d.*

4500. What was the profit?—The gross profit was 416*l.* 11*s.* 7*d.* Then the expenses were 271*l.* 9*s.* 11*d.*, leaving a net profit of 145*l.* 1*s.* 8*d.* That was after all the expenses, wages, &c., were paid.

4501. A profit of about 8 per cent. on the receipts?—Rather more than that. Then by degrees I get my stock of ware up. I have a store-room downstairs, and I shall presently go to the Army and Navy Stores to get some more cups and saucers.

4502. Then, really and truly, the contractor ought to make about 8 or 9 per cent. out of his dry goods store?—We have very little tea and coffee. I am one of the people who retail Van Houten's cocoa at a penny a cup; we sell the best articles.

4503. (*Colonel Lambert.*) The turnover is between 1,400*l.* and 1,700*l.* a year, and the expenditure is in your hands?—Yes. The total receipts last year were 1,690*l.*

4504. (*Colonel Bridge.*) Does that include the subscriptions?—No, that is simply the bar.

4505. It has nothing to do with the upkeep of the place?—No. Last year I paid for wages, maintenance of staff, and working expenses in connection with the bar, 271*l.* 9*s.* 11*d.*; billiard rooms, 83*l.* 19*s.* 0*d.*; baths, 95*l.* 4*s.* 0*d.*; beds, 54*l.* 6*s.* 4*d.*; laundry, 28*l.* 5*s.* 2*d.* Those were the expenses paid for the places that pay.

4506. The whole of the working of this devolves on you; you choose the tradesmen to the best of your ability; you pay the bills, and you do everything?—Yes, but I had to learn by experience, and of course I do everything wholesale.

4507. (*President.*) This is not denominational?—No; for that matter we do not know the men's religion. I may say we have had a Roman Catholic who presided at our organ.

4508. And you do not have any texts on the walls?—No, not anywhere about the place. In fact, it is well worth anybody's while to go and see it.

4509. In fact, it is a comfortable club?—Yes.

4510. And really meets the requirements of the private soldier?—Yes. My experience at York was that there was far too much asking people to go to prayers. I had my dinner on Sunday, and I paid either 1*s.* or 1*s.* 1*d.*, and they told me, amongst others, I could have my tea for half price if I went to the meeting. I say this, that if one of these places was inside the barracks it would be self-supporting, for this reason: I do not do any tea and coffee, and that is really where the profit comes. I used to sell 30*s.* worth of cakes to the men when they came off parades, and that sort of thing, in barracks in York. I only sold about 5*s.* or 6*s.* worth, but if it was in barracks you could sell the stuff you make the profit on, and you would always 25 per cent. on your cakes.

4511. Do you make a profit on your tea?—I cannot make very much profit on it, because 50 lbs. of tea will last me a couple of months. I cannot make much profit on that for the simple reason I cannot make it in quantities; but if I could make it in quantities I think the profit would be about 40 per cent.

4512. And in barracks you could do that?—Yes; I am positive of it.

4513. You think that if an institute like this could be put up inside the barracks, the only charge against it need be the interest on capital?—Yes.

4514. Suppose it costs 10,000*l.* at 3 per cent., that would be 300*l.* a year?—Yes, and it would pay it.

4515. You think that that 300*l.* might come out of the profits of the wet canteen?—That could be so, but I do not think I should mind taking it over myself and paying 300*l.* a year for it.

4516. You would pay a rent of 300*l.*?—Yes, and have the whole thing in my own hands, and I do not think I should lose anything by it. I am positive of it, and I would give them some stuff they could drink. I do not think there is any institute or coffee-shop of any description that retails Van Houten's cocoa at 1*d.* per cup.

4517. If you are prepared to give a rent of 300*l.* for an institute of this character inside barracks, it ought to be able out of its profits to pay the rent?—Provided the canteen did not go and sell the same article that I sold. The dry canteen where I was in York sold practically the same things as I sold.

4518. Do you wish to have a monopoly of the groceries?—No, simply the eatables, such as sandwiches, or bread and butter, cocoa, minerals, or anything like that.

Adjourned to Tuesday next at 11 o'clock.

EIGHTH DAY.

At the War Office, Pall Mall.

Tuesday, 22nd April, 1902.

PRESENT:

THE EARL GREY, *President*.Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE.
Colonel J. A. LAMBERT.Major L. A. M. STOPFORD, D.A.A.G.
Captain BOEHMER.Colonel BARRINGTON FOOTE, *Secretary*.

THOMAS CALLAN MACARDLE, called and examined.

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4519. (*President*.) You come here at your own suggestion to give evidence?—Yes; and I think my first duty is to thank you for being so courteous as to receive me.

4520. We should like to know the reason you wish to give evidence?—My firm, Macardle, Moore and Company, Limited, the Dundalk Brewery, have been engaged in this military trade as long as I remember—over 30 years. My father, before me, and I have been very successful, I think, in pleasing the troops, and I have a very large number of testimonials to show that we always give great satisfaction. We live in Dundalk. There is a cavalry station there, and people like the beer. The supply of our brew went on from regiment to regiment till gradually we have done a big trade throughout Ireland. At one time or another we have supplied nearly every garrison town in Ireland. These district contracts came on about six years ago; and the entire trade of the city of Dublin, and the whole trade down to Galway, was given to one firm. I was fortunate enough to get the Curragh district contract, and held it for two years. The soldiers did not seem to take to the contract system very much; that was the general opinion at the beginning. I put in my contract Bass's best ale and Younger's Edinburgh ale, in addition to our own, for the sergeants' messes, or for anyone who wished to ask for it, so that they should not feel as though they were tied down to one particular brewer. Then the military manoeuvres came on—the largest they had had in Ireland—at a time just after the supplies on Salisbury Plain were not satisfactory. I do not mean that the quality was not right, but the supply was said to have been deficient, and there was a good deal of anxiety on the part of the authorities in Ireland to make a success of the manoeuvres. Knowing that I was a hard-working man, and superintended all details myself, I was given the entire contract. During that time we brewed specially, and there was not a single complaint of any sort or kind. We had 60 horses and men employed and 10 agents. We did it very well. Colonel Hadfield was the one who had charge of supplies. He was a very easy man to work with, because you could see him at any hour. He was very good, and gave us great help, and he wrote afterwards thanking us for the way we performed the contract. Then came the renewal of the Curragh contract: for the sake of a very small percentage in price I lost that contract, and a Burton firm got it. Burton ale is a celebrated article all over the world, and that may have been some reason for taking it. But the authorities thought fit to go to Burton for porter and stout, while we think the Irish brewers are the only people who can brew porter and stout. And what is more, the contract for Irish whiskey for the sergeants' mess was given to Burton-on-Trent.

4521. You have a real Irish grievance?—You never saw an Irishman who had not; but I think I have a tangible one. That is one of the primary reasons why I have come, because I thought that while your business here undoubtedly is to get the very best value you can for the soldier—quality rather than price guiding you—I also thought that we taxpayers have to be considered more or less; and you, representing in this matter the War Office, would like to

have soldiering and recruiting and everything connected with the Army—if it is possible to make it so—more popular than it is in Ireland; and I think that this system of giving a whole big district away to one particular brewer non-resident in the country is a mistake. There was a clever man at the head of affairs in Belfast when this system was introduced into Ireland, and he went into these things very closely, and when he was asked about this district what did he say? He got all the particulars of all the previous contracts entered into, making a précis of the whole thing in his district, and comparing the prices. He said it would entail a lot of extra work in the office, and he did not think the result would warrant it. I was fortunate enough at that time to be a contractor for a Belfast canteen, and I held it till a year and a half ago. Then, General Leach, who is the General of our district—and there is nothing happens in the district that he does not know about, he is a man that looks into everything himself—sent for me, as he wished to talk the matter over with the chief staff officer and president of the canteen as they were making it into a tenant canteen. There is a grocer in Belfast, a Mr. Tyrrell, a man who does not believe in drink at all (I suppose he is very wise), who was not particularly anxious to have the beer canteen, and I was very anxious to have it—I mean as tenant—because I thought that my own trained men, being men who had worked for us a long time, would be better cellarmen, so I offered 8*l.* per hundred men a month, and I got it, and have held it from that day to this, and there has never been a complaint, and the General was well pleased with the way in which Belfast was done. He got 4*l.* 10*s.* per hundred men per month from the grocer. Last year a new camp was started at Ballykinlar, and he put that under the same system, and he said everything was done well. I do not know whether you would like to know the quantity consumed per man per day?

4522. I want to know first of all what is your object in coming here?—There are two things in the canteen regulations, as they exist at present, which I wish to see altered.

4523. Who do you think ought to choose the beer for the soldiers?—If I were doing it as a business man myself, what I would do would be this. I would select brewers that had a good all-round reputation, whose beer was a marketable article, and which had its name in the ordinary world of commerce and with the general public, and I would invite competition between a certain number of those good brewers.

4524. I understand you have come here to make a complaint that the troops quartered in Ireland are supplied with beer and whiskey from England. I do not think whiskey goes into canteens?—No, but it goes into the sergeants' mess.

4525. That is your grievance—that troops quartered in Ireland are supplied with liquors manufactured in England? Now I ask you, who do you think ought to have the choice of the liquors supplied to the Army?—That might, perhaps, come from this Committee with good grace. I think that a preference should be given to local brewers in Scotland, in Ireland, and in Wales, provided they are able to do it. What I have to

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impress upon you is that my firm and a dozen other firms (not so well equipped for manoeuvres, perhaps, because they would not have had the same experience), whose beer is sufficiently good, might be allowed to compete. My evidence is intended to prove that we, in Ireland, are capable of brewing beer that suits canteens. That being so, it would be desirable as far as possible that Irish brewers should get these contracts.

4526. At present the General Officer Commanding is responsible for the selection?—There have been a lot of questions asked about this—not at my instigation, because I have had less complaints than other people. Of course it is very hard to saddle anybody with the responsibility of it, and I believe the Duke of Connaught is very anxious that Ireland should get her full share of all contracts. The ordinary Irishman, particularly the agriculturist, is as good material as you can get for a soldier, and every acre that is turned into grass tends to increase emigration: it makes men scarce and does away with recruiting. All this tends to make recruiting unpopular.

4527. The scope of the reference to this Committee is to consider how canteens shall be managed in the interests of the soldiers. I understand that your evidence is directed to this point—that you think, whoever is the authority that orders the beer should choose their beer from a selected list of brewers, and give the preference if possible, to the brewer in the locality?—Yes, in Ireland and in Scotland the same, and in South of England the same. That would be my idea, to prevent great monopolies. You see what these American Trusts are doing. If you had time, and if the scope of the inquiry was wider, I would wish to show you what has been done. The Irish Parliament at the end of the eighteenth century contributed large sums of money for breweries, and the Royal Dublin Society since the Union gave large bonuses, and did everything they could to help the brewing industry. The present Government have a department of agriculture and industry in Ireland under Mr. Horace Plunkett.

4528. Our enquiry is limited to the convenience of soldiers?—The convenience of the soldier is what the Government on the one hand should do a great deal to help. But, on the other hand, they are like the cow that gives 12 quarts of milk which is kicked over and spoilt, because what they are doing to encourage agriculture in a small way the military authorities are discouraging by taking the trade out of the country. I must admit that every time we have been beaten, we have been beaten on our merits—there was a fraction in the price against us.

4529. Then you have no grievance as far as your beer is concerned?—No. On the contrary I have received the greatest courtesy and consideration from all, and no matter how things have turned out, dealings have been so pleasant all round, I have no personal grievance.

4530. The practical suggestion you make to the Committee is that the authority responsible for the choice of beer should, if possible, make a select list of firms, and out of those, select a local brewer?—You or your Committee might do that, or the Duke of Connaught; he could very soon get information, or if you take a man like Lord Iveagh for Ireland, or Lord Burton for England, they could give you a list.

4531. Who are the brewers whom you would put on the competing list?—I do not think it would be fair for me to answer that question, because I know nearly all and am more or less friendly with all of them. I would put Macardle, Moore & Co. on without doubt—one of the best brewers in the world, I am confident.

4532. But you would not like to recommend anybody else?—There is another thing I would like this Committee to take into consideration. There are records, there is no doubt about it, showing the quantity of pure malt used in Ireland for every barrel of beer made. There are also records showing the substitutes of all sorts and kinds that are used in England in the brewing of beer, and we want to help agriculture in Ireland and in England by brewing from malt and hops.

4533. This is outside the scope of this Committee?—I can prove that the quality of the beer brewed in Ireland is superior to what is brewed in England.

4534. That it is a more wholesome drink?—That it is a more wholesome drink. We had no arsenic scare in

Ireland last year. The figures go to prove that the gravity of porter is 10·58 against 10·53.

4535. Then the gravity is higher in Ireland?—Five degrees.

4536. It is a stronger drink?—Yes.

4537. Does that apply to the beer as well as to the porter?—No, only to the porter.

4538. Then it takes a smaller amount of porter in Ireland to make a man drunk than in England?—The porter is stronger. But you must notice that in Ireland, a pint of porter to the ordinary man is very often his dinner; in England it is only an adjunct, it only washes down the roast beef. In Ireland they lose their heads because they have no dinner and only a pint of porter.

4539. If the porter is of a heavier gravity it is a more intoxicating liquor?—Yes. Everything that can be done to help recruiting should be done; remounts for the Army by Irish horses. Do not you think that anything that would help remounts should come into this inquiry? Now every acre turned into grass means less remounts. I will send you the figures to show you that the consumption is not quite a pint a day per man in the Army in Ireland.

4540. Has the sale of drink gone down in Ireland?—Yes.

4541. The consumption per head is smaller than it used to be?—Yes.

4542. Will you put in figures showing that?—I will send those to you.

4533. (Major-General Eaton.) I suppose there is a smaller number of men?—I know the consumption is down, but I have not the number of men exactly. I do not see how the country is to go on if we do not get a better chance. When the Report of the Financial Relations Committee came out, you must recollect it was said we got it back from Imperial resources, but there is hardly a pair of boots made in Ireland or saddlery or anything else for the Army. The only thing there was a demand for was horses, and even then you had not officers enough to go and buy, but had to trust to the dealers; so the farmers did not make very much out of it.

4544. (Major-General Eaton.) Did you ever try to get a contract in England?—I could not do it. I supplied a regiment at Aldershot, and it cost me 33½ per cent. to get it there.

4545. The cost of carriage killed this business?—That was the only thing. But when it went to the camp they would drink nothing else, they knew that they got it good.

4546. (Colonel Bridge.) Do Irish brewers get all their barley in Ireland?—I have a list of all the maltings in Ireland.

4547. Is not more malting barley grown in England for Irish brewers than they grow in Ireland?—No.

4548. Which commands the best market price for malting purposes, Irish barley or English?—I think Irish malt, particularly for black beers.

4549. Does Guinness buy all his in Ireland?—A very great deal.

4550. And a large amount here?—He has an enormous trade. He is the biggest brewer in the world. I have the figures of the acreage of barley in Ireland, but I suppose this does not come within your scope.

4551. You see the scope of this Committee is limited to the point: How are we to run our canteens in the interest of the soldier? And your evidence on that material point is this: You think that whoever is the authority who is responsible for the selection of the beer should only select from a carefully chosen list, and then, whenever he could do so, he should select a beer brewed in the locality, whether it be Scotland, Ireland, or England?—Yes. But I should like to speak with regard to the gravity of the beer.

4552. What is the reason you have a higher gravity?—I cannot give the reason, but I will tell you how I think it happened. Guinness's people get a fine price for stout over 10·70 gravity.

4553. What gravity do you think is a right gravity for a beer for soldiers' drink?—I think 10·45; at about 8d. a gallon.

4554. Is that like a lager beer?—No, I do not know very much about lager, but it is a good clean beer, brewed from malt and hops, about 10·45 gravity, and a good Irish porter about 10·53. I can prove to you from people I have worked for that there is less drinking now. One reason for that is this, which I

have learnt from my experience in going round to canteens. Lipton, Dickeson, and Tyrrell, wherever they have business, seem to push buns and things of that sort, and the young soldiers coming in now drink a good deal less than before; so much so that the bonus given for tenancy, I think, will come down.

The witness withdrew.

Colonel SAMUEL H. LOMAX, A.A.G., called and examined.

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Col. S. H.
Lomax,
A.A.G.

4555. (President.) Have you had wide experience of canteens?—Yes, I have. I have had complete charge, as second in command, four years, and then I have been in command another four years, actually running them all myself, during the period I was second in command, and responsible for them when in command.

4556. I think you had better give us any points which you wish to impress the Committee with?—I have only an experience of the regimental system of management entirely by the officers and non-commissioned officers of regiments; and after my experience I am against the regimental system, because it takes up too much time. I have had charge of them four years, and during that time I did practically no other work, except when I was ordered on garrison work. As far as regimental work was concerned, it was almost entirely taken up with canteens and other institutions. Very large sums of money passed through my hands, for which, of course, I was not paid; and if any mistakes occurred I was out of pocket by them, though that is perhaps only a personal matter. Then the constant changes which take place necessarily in a regiment cause difficulty. During the time I was in command I had several officers to whom the canteens and other institutions had to be handed over, and they all had to learn their work at it; and the result was that the profits fell off. I think another disadvantage in the regimental system is that the regiments change in their stations, and it takes you some time to get into the change of contractors, and to get to know the different ways.

4557. I suppose you would be in favour of some permanent canteen at the different barracks?—Yes, at the different barracks.

4558. So that there would be no change of administration when a new regiment came in?—Exactly.

4559. Do you see any difficulty in such a canteen being run in the interest of the soldier, so that all the surplus profits, after a small interest on share capital had been paid, should be reserved for the soldier in some way?—I see no difficulty at all.

4560. Which would, I suppose, involve a local committee from the regiment to superintend the canteen management?—Yes. The Commanding Officer should still have entire supervision, however; he should have a say in the matter, and I think the funds should go through him.

4561. Is he allowed now to do what he likes with the profits?—In India, practically yes.

4562. Does it work well in India?—Yes, there is some, I can hardly call it interference, but some supervision in that way.

4563. We have had it in evidence from very distinguished officers that it is desirable to keep the control over the allocation of the profits in the hands of the General Officer Commanding and the staff, so that, in the event of it being thought desirable to increase the barrack comforts of the men, that policy could be continued; that there is a risk of it not being continued if each regimental officer has the power of saying, "No, I will not do that, but I will give it to sports"?—I should be in favour of the regiment doing it. I think it is more apt, if I may say so, if the General Officer has it, that it will be spent in things which the Government ought to pay for.

4564. If you cannot get certain requisites which you consider to be absolutely necessary for the comfort of the soldier, such as better light, hot water, and comfortable rooms, would you not apply any part of your canteen profits to the provision of those requisites?—No.

4565. Would you rather go without them?—I will not say that. The Government should provide those.

4566. And you would not do anything to help yourselves as a protest against the Government neglecting

its duty?—Only in minor things, not in anything like fixtures, for instance.

4567. You go on the broad principle that it is the duty of the Government to do this?—Yes.

4568. And that if the Government do not do it it ought to do it, and you should not do anything to help yourselves; is that your idea?—In small things, such as making a room comfortable with curtains and pictures, that might well come out of the profits, but not permanent fixtures.

4569. You would not like to make those a charge on canteen profits?—No, I do not think they should be.

4570. (Major-General Eaton.) Do you think that a central organisation would work which supplied goods; a sort of central store, a dry canteen?—Do you mean for the whole of the Army? A compulsory concern? I should not like to express an opinion; but I think there should be open contracts.

4571. Open competition for the supply?—Yes.

4572. (Colonel Lambert.) During the time you were second in command of your regiment you must have had some experience, supervising the management of sergeants' messes?—Yes.

4573. You are aware, no doubt, whether they occurred in your regiment or not, that certain irregularities do commonly occur in sergeants' messes?—Yes.

4574. Have you, in the interest of their prevention, ever thought out any scheme which would prevent their occurrence, because evidence as to this has been that they are very common indeed; have you ever thought of any means of preventing the temptations?—All we did in the regiment was this. The second in command virtually managed it; the whole money came through his hands; he took the stock and everything; the sergeants' mess was worked just like the dry canteen.

4575. Had you a locked-till system?—No, not in the sergeants' mess nor the dry canteen; we had it in the liquor bar.

4576. Then there were no such things as unascertained profits?—No.

4577. But you never thought out any system?—I wanted to start a locked-till system, but I was met with such opposition that I dropped it.

4578. Has the possibility of conducting a sergeants' mess on the same principle that an officers' is conducted—by having no cash transactions—ever come to your notice; have you ever thought that over?—I think I should be against it.

4579. What would be the reasons?—I think it would lead to drink. You mean charged in the bill: charged through the colour-sergeant?

4580. Weekly or monthly bills?—I think I should be against that. I have never really thought of it.

4581. But, at the first glance, you think it might lead to drinking?—I think it would lead to drinking, because it is virtually going on tick.

4582. (President.) In your long experience of regimental institutions I suppose you came across a good many instances of bribes and commissions being offered to canteen managers?—Yes, I know, for a fact, they are.

4583. And you lament it as an evil which you do not see your way of getting rid of?—I tried in every way to meet it. I paid all bills, wages, and everything myself, and paid all bills by cheque.

4584. But still it goes on?—Still it went on.

4585. And it goes on now?—Yes.

4586. Is it the fact that this system of commissions is so prevalent and universal throughout the country as almost to have become an established right. Is that

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your view?—I think it has become established with the men who deal with canteens in India.

4587. And you have not been able to think out any plan of putting an end to it?—No; I tried, but failed.

4588. It is very melancholy that that state of things should exist and we not see a remedy?—It is.

4589. Do you think a man who does not bribe a canteen manager runs the risk of the goods he supplies being tampered with. One of the witnesses said that the butter was put into the sun and then exhibited as an instance of the bad article supplied. Do you think that sort of thing is done?—No, I think it is more a certain percentage on the bills when paid over.

4590. Suppose you, as a regimental officer, get your supplies from a firm which does not give commission, do you find that the articles supplied by him are discredited although they may be of very good quality?—The difficulty is to know. We do not know of firms declining to give discount.

4591. Did you ever trade with the Canteen Mess Society?—Yes. I did about six years ago, and I did when I was second in command.

4592. Why did you give them up?—Their goods were not so well packed; the trade was not so well done as with Dickeson.

4593. And you gave them up for that reason?—Yes. It gradually died out. We used to get some from Dickeson and some from the Canteen Mess, and the Canteen Mess gradually died out. The regiment are members of the canteen and mess.

4594. How many shares have you?—Only one.

4595. One 1*l*. share?—I think it is a 1*l*. share. I bought one when I was second in command.

4596. And you have given up trading with them altogether?—Yes.

4597. Whom do you get your supplies from?—From Dickeson. He has an agent in Bombay who supplies the goods with the price list.

4598. Do your remarks purely apply to Indian canteens?—Yes.

4599. I did not know that the Canteen Mess Society traded out in India?—We traded with them direct at one time. We sent the orders home and they sent out the goods in the usual way. We had dealings with England in India.

4600. Even in India, as in England, you found that general system of commission-taking prevalent?—I do not know anything of commission-taking in England. I am talking of India.

4601. (*Captain Boehmer*.) You say that you gave up dealing with the Canteen and Mess Society owing to the fact that the goods were badly packed. Were you present at the unpacking, or was it the report of the canteen sergeant?—I used to see the goods in the box. I do not think I actually saw them unpacked. Take pickles, which the soldier goes in for largely—penny bottles of pickles—the Canteen Mess does not do them up in the same satisfactory way.

4602. You say that from your own observation?—Yes. Of course I may have been done, but I do not think so. I was dealing then direct with Dickeson. Of course I may have been done; he may have paid our sergeant.

4603. I wish to know whether it was on the report of the sergeant or whether it was your own observation?—I was constantly in there but I was not actually present when they opened the lids. I used to see them in the boxes.

4604. (*Colonel Bridge*.) Do you think the tenant system could be introduced into the sergeants' mess the same as the canteens? I mean so that the tenant should become caterer and take the money, and then you would have none of those difficulties which you now sometimes have?—I do not know why the sergeants' mess should not be run by open competition.

4605. And included in the contract?—Included in the contract for the canteen.

4606. You believe in one sweeping district contract, do you?—My experience is not enough for me to say as to that. I am merely against the regimental system. I do not think it is a success.

After an adjournment,

Colonel LLEWELLYN WAVELL, called and examined.

Col. L.
Wavell.
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4607. (*President*.) Are you still in the Army?—I am a retired officer. I retired in 1883.

4608. You have had no recent experience of canteen management?—No knowledge at all of canteen management, because I served, with the exception of eighteen months during the Indian Mutiny, always with native troops. I come here to give an account of my experience with the Soldiers' Institute.

4609. And you have had considerable experience of the Soldiers' Institute?—From 1885. I have been a member of the Committee of the Soldiers' Institute at Aldershot, and since 1892 the Honorary Secretary and Treasurer of the Institutes at Aldershot, and at the Guards' Camp at Pirbright.

4610. Are they regimental or official in any way?—Absolutely unofficial.

4611. They are run with private funds?—They are run with private funds.

4612. Subscriptions?—Subscriptions, and income derived from our trade sources.

4613. And the subscriptions supplement deficiencies of income?—Yes.

4614. Are they self-supporting?—No. I do not see how a Soldiers' Institute can do without subscriptions.

4615. What sort of annual sum do you require for these two institutions?—Last year the two institutions at Aldershot and Pirbright were about 150*l*. short of their expenditure.

4616. Are they managed by the same society?—They are managed by the same committee.

4617. And 150*l*. odd had to be found outside subscriptions?—150*l*. odd had to be found.

4618. Do you find that the advantages offered by these institutions are appreciated by the men?—Immensely by the men, and, to take the case of Pirbright, by the

neighbourhood too, because at Pirbright the men came down to the camp. It is a deadly dull place, young fellows want to be amused, and there was no place of amusement. The consequence was they used to go out and rob orchards, and do worse than that; but from the time our institution was opened at Pirbright there was an immense improvement.

4619. Then your Pirbright institute is more in the nature of a well-conducted public-house?—Except that there are no intoxicants.

4620. A purely temperance institution?—Purely. I can give a few facts here if I may read them. I have just thought over a few things I may say. I begin by stating who I am: that I have been on the committee since 1885, and honorary secretary and treasurer since 1892—that is over 10 years. These institutes are, to all intents and purposes, soldiers' clubs. They differ from ordinary clubs in some important ways. (1) No subscriptions are required. The King's uniform passes a man in. (2) No intoxicants are sold or supplied. Even if we were not precluded by our rules, speaking as an Aldershot magistrate, I am sure that the licensing bench would not view with favour any proposal to add to the existing drinking facilities in that overlicensed town of Aldershot. As regards our branch at Pirbright, I do not think a beer-selling rival to the canteen would be tolerated in the camp.

4621. Is it denominational in its character?—We are Church of England, and my experience is that the title is a help—it attracts soldiers, because men who have been to Aldershot and men who have been to Pirbright have seen how loyally we have abided by that rule of ours, that no man is to be interfered with. Religious questions are not allowed, unless the soldier takes the initiative—and it is absolutely forbidden for anybody to buttonhole them.

4622. Have you printed texts on the walls?—No. Religion is kept to one room, and one room only.

4623. A man may make use of the institution without feeling that he is obliged to go to the religious room?—Absolutely, and he is thought none the worse of. We make no difference.

4624. Then what refreshments do you offer in this institute?—As far as my experience goes, the great charm of these institutes in the eyes of the men is their "homeliness" and their unofficial character. In them, warrant officers, N.C.O.'s, and privates meet on equal terms, just as members of a club do. The men of all ranks thoroughly appreciate having a place where they can come and do their letter writing in peace and quiet. At Pirbright, the daily consumption of stationery is 600 envelopes and a corresponding quantity of notepaper. The men also value the institutes as places where they can bring their relations and friends, sure of finding clean and wholesome surroundings. Every effort is made to provide counter attractions to the low public-houses in the town. Concerts, lectures, games of all sorts, pianos, papers, and magazines. In fact, everything and anything to brighten men's lives, and to enable them to spend their evenings in a pleasant wholesome manner. Then I go into facts about our trade.

4625. There is a steady increase?—There is a steady increase.

4626. What is the character of the men who make chief use of this institute?—All sorts, but chiefly young soldiers.

4627. And what is your average attendance?—I suppose at the Guards' camp at Pirbright, where there are very few other attractions, any evening when the camp is open you might find from 500 to 700 men in that institute.

4628. As many as that?—Absolutely packed.

4629. That conclusively proves that you have met the requirements of the soldier?—Yes, and the only limit is the accommodation in the place. The place is absolutely packed. There is a sing-song every night run by the men. Sometimes I take a team over from Aldershot. I cannot be always at both places. I take a team over, and we run a sing-song for them, but as a rule they run their own.

4630. What other institutes of a similar character are there with which you are conversant which you do not manage yourself?—I know the one at Woolwich. That is the only one that I have been to, but there are others being started all over the place on the lines of the Aldershot one, which started on the plan of non-interference—that the men should be able to go in without question or interference.

4631. There is no membership?—There is no membership and there is no proselytising—no attempt at it. We have services for men—the bell rings and the men may go up or they may not go up as they please.

4632. There is nobody to bother them?—It is against our rules to say "There is the prayer meeting just going to commence, will not you come to it?" We say that is wrong, it is not fair, because we do not know whether a man may be a Roman Catholic. Some of our most devoted men—like Bowker, who died out in South Africa—are Roman Catholics. I suppose for five years there was hardly a day he was not in our institute. The Roman Catholics know us so well that the priest actually asked us to take charge of a boy pending enlistment. They know we do not attempt to proselytise. We do not want to.

4633. In your opinion should similar institutes be established in every centre?—I should say so.

4634. Where are you to get the money from if you cannot depend upon local subscriptions?—Well, there will be an appeal. I suppose our chairman, General Moncrieff, will send out an appeal, "I want another 1,000*l.* for Pirbright. We have had to move it."

4635. Why, because it is too small?—We had a site given us by the authorities. It was not of our selecting, and General Philip Smith asked us to put one up there, and we put up an institute. In 1892 we opened it. At once it became a phenomenal success. In 1894 we opened it practically double in size. Then again in 1896 we added to it again. In 1898 we opened it again; we added a big hall, and in 1899 we were told we must take it, the institute, down because it interfered with the field firing—the new ranges. So we had to take it down, and it has cost us 2,000*l.* to

take it down and move it to another place after we had spent about 2,000*l.* in putting it up originally.

4636. Can you give the Committee an approximate estimate of what the cost of building an institute, which in your opinion would meet the requirements of a large camp, would be?—It would depend upon the material. The institute at Aldershot, I suppose, has cost us—it is freehold—about 10,000*l.* Our institute at Pirbright is simply iron, match-boarded, and we have added and added, and now this new one will hold, probably, comfortably 800 men, with a hall that will hold about 600 men, and I suppose every evening that hall will be full—men singing; and then occasionally I go over and give them lantern lectures.

4637. How do you make your profits?—Our sources of trade income and the amount realised last year are as follows:—

	Aldershot.	Pirbright.		
	£	£	£	
Bar	723	326	=	1,049
Beds	197	—	=	197
Baths	135	—	=	135
Billiards	133	46	=	179
				<u>£1,560</u>

The volume of our bar trade has been steadily increasing, as will be seen from the following figures:—

	Aldershot.	Pirbright.		
	£	£	£	
Bar takings, 1898-9	1,505	1,253	=	2,778
" " 1899-00	2,099	1,198	=	3,297
" " 1900-01	2,366	1,292	=	3,658

It is almost impossible to form any accurate idea of the profit made on the bar sales, as one cannot ascertain what proportion of the wages, fuel, lighting, &c. should be debited to the bar account. By our last report,

		£
The Aldershot bar takings were	-	2,366
Cost of supplies	-	1,643
Gross gain	-	<u>£723</u>

This gives a percentage of 30·5 on the takings. Nine members of the staff have been also boarded. But then, of course, there is the fuel, the wages of the staff, light, depreciation, and so on.

		£
The Pirbright bar takings were	-	1,292
Cost of supplies	-	966
Gross gain	-	<u>£326</u>

= 25 per cent. on takings.

Number of staff boarded - - - 9

With the exception of cakes and pastry we get most of our supplies locally. The Junior Army and Navy Stores and Lipton's for perishables. The cakes we get from a wholesale firm at Leicester. The soldier knows what is good and will have it. I once suggested to the manager that we should effect a saving by buying sides of bacon. He replied that it would not answer, because the men would only have the prime cuts. They also like to get full value. When the price of bread went up during the Spanish-American war we had to cut our slices of bread a little thinner. A man at Pirbright wanted to have me up at the orderly-room for fraud.

4638. Do you debit your revenue account with the interest upon the capital?—We cannot do that.

4639. You do not pay any rent?—We do not pay any rent.

4640. You do not debit any to your accounts?—No. We could get any results we choose by charging a certain number of the staff and a certain proportion of these expenses. What we do really in our report, of which I have brought a copy here, is this: We just simply state our actual figures, our actual results, and leave people to judge for themselves as to the value.

4641. Do you find much difficulty in getting the funds you require for running these institutes?—No; just at present we are all right. Our subscriptions and our donations about keep us going, except that Pirbright has always, ever since it was opened, been such

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a drain upon the parent (Aldershot) institution, because we constantly had to enlarge it.

4642. What is the advantage of calling it the Church of England Institute?—First of all, because it was started in that way. I suppose, really, the reason it was started was that in the town, at the bottom of Victoria Road, there was a Primitive Methodist Institute. At the top of Victoria Road there was a Wesleyan Soldiers' Institute. Then people said, "What are you Church people doing?" and the answer was, in 1883, building one, and calling it the Church of England Soldiers' Institute.

4643. Still, the Roman Catholics and Primitive Methodists and Wesleyans and Baptists use it?—Yes, only the other day the parents of a man in the Carabiniers came down to Aldershot; they went over the institute, and they thanked us, not only for what we had done for their son, but they also thanked us because they said we had not in any way attempted to tamper with his religious convictions. He was a Wesleyan.

4644. In that way you have been able to avoid creating any friction between rival nonconformist sects?—Yes, there is none. They all wish us well. And we are absolutely, I think, undenominational in that way.

4645. As a man who has had large experience in the requirements of the soldier, would you be opposed to the soldier in barracks having a glass of beer with his supper?—Not the least. I have quite an open mind. I am a total abstainer myself, but I see no reason why he should not. But I do say this, I know at one time they said about our institutes, "Have liquor, but under proper control." I do not see how we could do it at our place there. Suppose we said, "Let a man have his pint only and no more." First of all, one has to find out in some way when he has had his pint, and in the next place when we refuse to serve him any more he has only to go out and he is surrounded with public-houses, and he has simply to go into the "Victoria" or "The George," or "The Wellington," and he can take as much as he likes.

4646. I understand that an institute, such as you have been describing, is not the rule—it is exceptional?—Yes.

4647. Where you have not got advantages such as your institutes offer, do you find that the soldier, for want of them, is driven to the canteens for his amusement and his society?—I should say he would be. My experience of the soldier is that the young soldier, if you give it to him, will eat. He will spend his money in eating. When you get an old soldier he will spend his money more in drink.

4648. How long does it take before a young soldier becomes an old soldier?—There are not many old soldiers left now.

4649. I will put it in this way. How long does it take before the eater becomes the drinker?—I should say if he has a first term service he does not become one.

4650. He does not in the first three years?—I do not think he does.

4651. He eats through his first three years?—If you could go to Pirbright and see the men there you would hardly believe it. You will see a hundred of these guardsmen at the bar there—a regular queue of them—going up there for their pennyworths of rice pudding. They are formed along the bar there.

4652. (Major-General Eaton.) I can vouch for Pirbright; I was on the committee when it was first started. I was there with my battalion when it was enlarged in 1894. It is most excellent in every possible way, but the actual buildings are not adequate for barrack accommodation. You would have to build them on a very much larger scale?—(Colonel Wavell.) I suppose you have not been there lately. Take our hall—the new building that we have just put up; it is just by the revolver butts. We built it there. We have got a separate hall there now that will accommodate, I suppose, 700 men, and that would be of use, as I say, for services on wet days—for lectures and anything. When the Irish Guards were down there that winter they had all sorts of things. There are all sorts of possibilities with an institute like ours, and we are ready to use it for anything.

4653. (President.) Then I understand that the attraction you offer to the soldier by means of your two institutes, which cost you practically 150*l.* a year, help

to diminish the consumption of drink?—I think they do. The takings at Pirbright were 1,292*l.* last year—1901. I will say, unless young men have altered considerably lately, without the institute that money would have been spent somewhere else, and if there was no other place to spend it they would have spent it in the canteen. Instead of that, they have spent it in wholesome food.

4654. What number of men do you imagine that your two institutes cater for? Would you say a couple of thousand on an average?—Yes. I should say at Pirbright 1,500 men.

4655. And Aldershot?—Practically there are 15,000; there is an incessant ebb and flow.

4656. Pirbright is the principal one?—Yes, because it is such a deadly dull place. There is absolutely nothing to be done.

4657. Is that because there are no counter attractions, or because your institute is better?—I think it is mainly because there is really nothing else. I have no doubt if there were shops and public-houses near it, it would be different, but the nearest public-house is a mile off from the camp.

4658. Would you mind telling us the deficit on your institute?—I should say that if the Pirbright Institute were open all the year round it would just about balance; but you see for about four months in the year it is shut, and during that time we have to keep the manager and his wife and three of the staff. We keep them because we find the principal thing with all these institutes is to get an honest manager. I firmly believe we have them; they are all old soldiers. I firmly believe we have got them at Aldershot, and also at Pirbright.

4659. Have you had many disappointments in your managers?—Yes.

4660. They are difficult to find?—Yes, it is the same with canteens, and the same with everything.

4661. Do you prefer the old soldier to the civilian?—I do; because they understand soldiers.

4662. (Captain Boehmer.) With reference to the success of these institutes, do you think that if the Government would provide such a place in barracks as a Government Institute it would be beneficial to the soldier, instead of depending upon what may be called charity and subscriptions?—The difficulty there really is, I think, just a little, the officialism that comes in. If it were a Government matter, it would be like a recreation room, or a place of that kind, where the sergeant is a sergeant and the private is a private. But with us, it being unofficial, that I think makes a difference. But, undoubtedly, Government institutes would be helpful.

4663. You think, really, that the present recreation rooms should be made more similar to your institutes than they are at present. As you know, they have their reading rooms, and most regiments have their billiard rooms for privates, and they have their libraries?—Yes, they are splendid things.

4664. If these recreation rooms were made more comfortable they would be of more benefit to the soldier?—I think they are very comfortable; but I think the charm of our place is the meeting with different people. Take Aldershot. A man has had a tumble out on the square, and the sergeant has been rather nasty with him. After that he wants to go to some place where he will not meet the same people, and I think that is one of the great attractions of our place.

4665. It gets him away from his old surroundings?—I think so. In the same way, I suppose, an officer has his club as well as his mess. He has a capital mess, billiard room, and everything; but at the same time he wants to meet other people.

4666. (President.) Then there is no feeling of discipline there, I suppose?—Not in our institute.

4667. Who manages it?—The manager. Once or twice we have had unpleasant things happen; but we are very careful not to invoke the aid of the authorities. Once or twice we have had a little trouble—a drunken man, perhaps—but we think it would not be good for us or for our work if they get the idea that we invoked the aid of the authorities; we prefer to manage our own little business, and the soldier is very amenable.

4668. The problem of governing a club is how to combine order with liberty. Now, there is liberty on

the part of the members or anyone who frequents your institute. But suppose order is to be established, who does it?—The manager, unless I happen to be there, when I should do it.

4669. Can you turn a man out, and prohibit him coming again?—We have never had to do that. I believe once or twice, at Pirbright, a man came in straight from the canteen drunk, and I think the manager once did get the picket in. But at Aldershot I say to the men: "We have no rules whatever; all we expect is that you will behave like gentlemen."

4670. And the men are encouraged to feel at home?—They behave well, and we have no difficulties: we never have difficulties. I will not say a man has not come in drunk: but we have just let him sleep it off. As a rule the men leave their bad language and everything of that sort outside.

4671. Then the success of similar institutes will depend upon having someone like yourself to take an interest in them?—I think that has a great deal to do with it. You want somebody, and I sometimes wonder who will take my place.

4672. You feel you are wanted, and if you were to go away, perhaps the character of the institute would deteriorate?—I hope somebody else would come forward; and that is really why I should like to get the place in a good financial position: because the next man might not be able to do it for nothing. It might be somebody who would say: "I would come down, but it is an expensive place to live in, and you must give me 100l. a year."

4673. How much time does the supervision of this place take?—My whole time. I go to Aldershot every day except Sundays.

4674. And you do this free of any charge?—Yes. I go to Aldershot every day, and also to Pirbright—I cycle 20 miles round. I do my work there, and then to Aldershot, and then home.

4675. You are running it on the basis of enthusiasm?—Yes.

4676. And when you, as an enthusiast, disappear, the difficulty will be to find a successor?—Colonel Walker started it, and then when he went to the Gordon Boys' Home, he simply told me he was going there, and I took it as a hint he wanted me to succeed him, and I did, and I have been at it nearly 11 years. I am now 63 years of age, and I suppose the time will come

when I cannot go cycling to Pirbright in all weathers, and then they will have to get somebody else to take it.

4677. Have you any particular suggestions to make which would lead to improvement in the management of canteens, in the interest of the soldier?—I may preface my remark on this point by saying I know absolutely nothing about canteen management, because I was in the Company's service—I was in the Native army, and there we have not a canteen—but it has sometimes appeared to me with reference to the Army Temperance Association, that Commanding Officers look a great deal to the canteen to help them in getting money for their soldiers' wives and so on. It is almost too much to expect colonels to be very keen about making all their men total abstainers if, by those means, this money which has been so very useful to them, should be reduced. I think, therefore, that if the Commanding Officers could have all the money that is made in the dry canteen, and if the profits on the wet canteen went right away, so that the regiment would not benefit the least bit, then colonels would be more inclined, perhaps, to push the temperance side.

4678. In the interest of temperance you would not allow any part of the profits made by the wet canteen to be appropriated for regimental purposes?—If that is practicable. I think that would be a good thing.

4679. Have you any other suggestion to offer?—No, I do not think so.

4680. No doubt you come in contact with a large number of non-commissioned officers and men in your daily rounds, and in your devotion to the interest of the soldier?—I hate sergeants' messes.

4681. Why?—Because I think that many a fellow who has gone perfectly straight till he becomes a sergeant, when he gets to that sergeants' mess, learns to drink, and takes to all sorts of things, and goes wrong.

4682. You mean the temptations of the place are too much for him?—Yes, and I should like to see the sergeants dining with their men. If at Aldershot they had a big sergeants' club, where all the sergeants' could meet, instead of each unit having a sergeants' mess, it would be an untold benefit to the sergeants themselves, and to discipline generally. I would sooner the sergeants dined with their men, as schoolmasters dine with their scholars at public schools.

4683. Have sergeants themselves told you of these difficulties?—Yes.

The witness withdrew.

Field-Marshal Right Hon. EARL ROBERTS, V.C., K.G., K.P., G.C.B., G.C.S.I., G.C.I.E., P.C.
(Commander-in-Chief).

4684. My attention has been drawn to a speech you made at Meerut so long ago as 1883?—Yes.

4685. In the course of that speech you go very fully into the advantages of providing counter-attractions for the men, and of making it unnecessary for them to make use of the wet canteen; and in the course of that speech you make the suggestion that it is desirable to start clubs which shall take the place of the canteen, as far as possible?—Yes.

4686. I presume your remarks would be as applicable to England as they were to India?—Quite so.

4687. You quote a remark of Sir James Outram, whom you describe as having earned for himself the title of "The Bayard of India," expressing the hope, so long ago as 1860, that the time might come when the cleanliness and decency of the officers' mess might be extended to the canteen and refreshment rooms?—Yes.

4688. And you made an endeavour in 1888 to realise Sir James Outram's ideals?—Yes.

4689. Has that endeavour been successful?—Sir James Outram was the first officer of influence in India who took the matter up at all; and when he was Military Member of the Council, he started in the old Dum Dum Artillery Mess House an institute, which struck me as being very useful. When I became Commander-in-Chief in India I induced the Government of India to take up the question and remodel the old canteens by limiting their size, making them as little attractive as possible, and increasing the size and adding to the comfort of the recreation and refreshment rooms. The Government agreed to my proposal.

4690. I am afraid that has not been carried out in England?—Not yet. I hope it will be.

4691. According to the evidence that has been given before this Committee, it would mean a very great amount of building in order to enable that alteration to take place?—I have this morning seen the Inspector of Buildings about it. In the new buildings satisfactory arrangements are being made; all the stage arrangements, &c., are being removed from the canteens and placed in the recreation rooms, the size of which is being increased. Of course in existing buildings it is not so easy to manage, but endeavours are being made to carry out this general order which I published on the 29th of December 1901:—"War Office, 28th December 1901. Sir,—I am directed by the Commander-in-Chief to inform you that the question of reforming the present system of canteen management at home has of late been occupying his serious attention. 2. The object which the Commander-in-Chief has in view is an endeavour to promote temperance amongst the men by improving the system under which regimental institutes are conducted, in order that they may be rendered more attractive to the troops, and that the recreations and comforts which are provided may be disassociated, as far as possible, from the consumption of alcoholic drinks. 3. After careful consideration the Commander-in-Chief has formulated the following suggestions, based on similar arrangements have been carried out in India with marked benefit to the men, and which, he is of opinion, are calculated to have a like result if introduced into this country. 4. The regimental institutes, with the exception of the

Col. L.
Wavell.

22 April 1909.

Field-Marshal
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mander-in-
Chief).

22 April 1902.

"canteen, to be under one roof. This building should contain—(a.) Refreshment room fitted up somewhat on the lines of a modern restaurant with small tables, having a big refreshment bar at one end, at which suppers, teas, coffee, minerals, &c., could be obtained. At the other end a stage should be erected where the entertainments now given in the canteen, as well as others, could be held. Smoking to be permitted and men to be allowed to purchase one pint of beer to drink with their suppers. (b.) That out of this hall there should be reading rooms and library, billiard room and games' room. A writing room of such a size as would enable it to be used as a 'study.' (c.) The grocery store should be a portion of this establishment. (d.) That the liquor bar should be at a short distance from this institute, and that, while it should be comfortably fitted up with such requirements as may be necessary, it should not vie with the other institute as regards attractiveness. (e.) That all institutes should be under one committee, the profits of both portions to be used indifferently for either. (f.) That to make the system a success it must not be worked as conducting to the profits of either a company or an individual, but for the good of those for whom it is conducted; and in order to obtain this object neither sellers of the various goods consumed, nor their subordinates, should have a direct personal interest in the sale. 5. Public funds not being available for the alteration of existing buildings, I am directed by the Commander-in-Chief to request that, with the assistance of your C.R.E. you will consider how the proposals made can best be carried out, and what structural changes are required, report how you would suggest meeting the necessary expenditure from canteen funds. 6. In conclusion, I am to inform you that the Commander-in-Chief is assured that, not merely yourself but also Officers Commanding units in your command will use every endeavour to give effect, as far as possible, to the suggestions made with a view to improving both the health and well-being of the men. I am, Sir, Your obedient servant (signed) T. K. KENNY, A.G." We are trying to work upon that on somewhat the principle I adopted in India.

4692. I do not know whether your attention has been directed recently to the speech you made so long ago as the one I have referred to. I may take it that as a fact your views on the question of temperance are not altered?—Not in the least. I see the question here, No. 5, "Should men be allowed beer with their supper?" I telegraphed to the Commander-in-Chief in India, a short time ago, in order to find out whether the same system is going on which I advocated then, and he answered me thus: "Simla, 18 October 1901. Your Lordship's telegram of the 14th October. Regulations issued by your Lordship's directions when Commander-in-Chief are generally carried out, and continue to be a satisfactory arrangement." That is the arrangement of having a pint of beer with their supper.

4693. That you think helps to keep them out of the canteen?—I am sure it does.

4394. May I ask what your opinion is of the relative advantages or disadvantages of the regimental compared with the tenant system of canteen management?—I prefer the tenant system; because I do not think the regimental officers or the men in the regiment should be employed on that duty. Moreover it does not often happen that you have an officer in the regiment who has sufficient taste or aptitude for the work to make it a success. If he has, it becomes a great success, but on the whole, I prefer the tenant system.

4695. There has been evidence given before this Committee to the effect that we might really save for the soldier the profit made by the tenant if we could establish some co-operative system on the lines, or on kindred lines, to those instituted by the working classes for the supply of their groceries; do you think that the co-operative system could be applied to canteens?—My hope, in proposing that this Committee should assemble to consider the question, was that something of the sort might be made possible. Of course, I have not seen your evidence, nor do I know enough of the working of the co-operative societies to be sure it could be adopted, but I think if it could be it would be of the greatest advantage.

4696. We have had evidence which leads the Committee to believe that there is a system of giving commissions and of bribery which is carried on with the knowledge of the authorities simply because they do not know how to put an end to it, and that that practice is also going on right through British trade, so that the men who receive commissions appear hardly to know that they are guilty of dishonesty. Is it not possible if they were to establish a co-operative organisation, when the employes would really be the servants of the soldier and working for them (all surplus profits, after a small interest on share capital being handed back to the soldiers or to the regimental officers, or G.O.C.), that temptation to receive bribes would be diminished?—I should hope so. I am aware commissions are very general.

4697. We have also heard it is very general in the sergeants' mess?—I believe so.

4698. Do you wish to give the Committee any suggestion as to how we could reform sergeants' messes?—I should like to see sergeant's messes reform in the same manner as is proposed for canteens.

4699. You think they might both be run by the same organisation?—Yes, and it would be a very great advantage to the Army if some change were made in the present system.

4700. Both in the interest of temperance and morality?—Yes.

4701. Do you consider any portion of the canteen profits should be applied to the provision of regimental institutes to increase the comfort of the men?—Yes, I think it would be quite legitimate to apply the profits to anything which would add to the welfare and comfort of the men and their families. They are the supporters of the grocery bar and canteen.

4702. I believe you have strong views as to the class of accommodation which should be provided in the future, and you have said you had an interview to-day with your Inspector of Buildings as to what is being done in this direction in the barracks which it is contemplated building?—What I said in 1888 is what I feel now, that what we call the Institute should be as much as possible in the nature of a club. When I used the word "club," it was objected to as not being suitable for soldiers, but I cannot see any reason for that objection. The working men have clubs, and I should like to see clubs for soldiers established on the same principle, as nearly as possible, as an ordinary working-man's club where they can get their food, their glass of beer, or anything else in comfort without having to go to one place to drink and to another place to eat.

4703. And to enable that plan to be carried out you will have to provide a very large extension in buildings?—I daresay you will have to modify the buildings, and you may perhaps have to incur certain expenses. The Government of India, when they once recognised the desirability of this, did not hesitate to do what was necessary to make the institute a comfortable place.

4704. And whom was the charge debited to?—To the Military Works in India.

4705. And you want the Government of England to do for the Army in England what the Government of India have done for the Army in India?—In the last year or two there have been a great many improvements made in that way, and they are being carried out now in accordance with that order of mine of December last.

4706. Evidence has been given before this Committee that the present system of allowing regimental officers to appropriate the profits made out of the wet canteen tends to make the regimental officer look to the wet canteen as a source of supply for all the money he requires for those purposes; and it was suggested to us by the last witness that if the profits made out of the wet canteen could be appropriated to a more general purpose, and if the regimental officers' takings could only come out of the dry canteen, this would make it to his interest to push the dry canteen rather than the wet canteen?—I am not sufficiently experienced to know whether the profits from the dry canteen would be sufficient for the purposes you mention.

4707. I see in your speech at Meerut you say "Although not a teetotaller myself, I thoroughly appreciate what total abstainers have done for the

" Army. So much good, indeed, have they done, and there are so many difficulties and temptations connected with the provision of liquor for soldiers, that if it were possible I would like to see every man in the Army a total abstainer." That is still your opinion?—Quite so.

4708. If your wishes were carried out there would naturally be no profits from the wet canteen at all?—No.

4709. So we must not look to them as a source of supply for the requirements of the Army?—Quite so. Of course I was then speaking mainly to total abstainers. The room was crowded with men not abstainers, but I was then supporting what I called the Army Temperance Association, and I was talking to the men who belonged to the various abstinence societies in India, which different societies I wanted to amalgamate into one—the Army Temperance Association. That association was afterwards introduced into England, and the other day the King showed his approval of it by allowing it to be called the Royal Army Temperance Association.

4710. But still you gave expression to your conviction that if we could get rid of drink we should get a more efficient army?—Certainly.

4711. Is there any point that you would like to bring before the attention of the Committee?—No, except to wish it all possible success in carrying out what is greatly my desire, to make the soldiers' institute a comfortable place which the men will be attracted to go to instead of visiting public-houses in the neighbourhood; to make it in all matters respectable, where they can have their games and their writing and their reading, their eating and their drinking, in moderation, and where everything is done to elevate the soldier. That is my great wish.

4712. And you would dissociate all these counter-attractions to drink from the wet canteen?—Yes.

4713. Would you allow a man to take with his meals a glass of beer?—Yes, with any meals I should allow him to take beer in moderation.

4714. We have had a very remarkable unanimity in the evidence which has been given before this Committee upon this point that the young soldier is a good eater and that the old soldier gradually becomes a drinker; and that the absence of all these attractions to which you attach so much importance tends to drive them to the wet canteen, and that some of our barracks are manufacturers, I do not say of drunkards, but of soakers?—I believe that is quite the case. When I became Commander-in-Chief in India there was an allowance of rum per man per day, and I issued an order that no soldier arriving in India after a certain date was to be allowed to have rum neat, but he could have it with soda-water if he liked. And it was astonishing how the drinking of rum altogether ceased. The men took to beer. Then I tried to limit the amount of beer by making counter-attractions elsewhere. This I did by starting the supper room, and allowing the men to have a pint of beer with their supper.

4715. Would you approve of money being raised on the profits of the canteen in order to secure bigger buildings?—I think that would be quite legitimate to help the parts of the institute that you want to be frequented with the profits you get from the drink.

4716. We have had very strong expressions of opinion from officers in the army that it would be robbing the soldier of some of his rights if you were to use canteen profits for purposes which ought to be met out of national funds?—I think canteen profits might legitimately be used to add to the men's comforts, and when I was at Shorncliffe a few days ago I authorised temporary buildings to be erected for billiard tables out of these profits; I hear that they are answering well, and the fact of there being more accommodation close by the barracks for amusement and recreation keeps the men out of the town.

4717. That takes the appropriation of the profits of the canteen out of the hand of the regimental officer altogether, does it not?—No. It was put to me by the authorities of the divisional battalion and approved of by the General Officer in Command who strongly recommended it to me.

*Field-Marshal
Lord Roberts,
V.C., K.G.,
K.P., G.C.B.,
G.C.S.I.,
G.C.I.E.,
P.C. (Com-
mander-in-
Chief).*

22 April 1902.

Adjourned to Friday next at 2.30.

NINTH DAY.

At the War Office, Pall Mall.

Friday, 25th April 1902.

PRESENT:

THE EARL GREY, *President.*

Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE.
Colonel J. A. LAMBERT.

Major L. A. M. STOPFORD, D.A.A.G.
Captain BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary.*

Colonel GRIERSON, R.A., called and examined.

4718. (*President.*) I understand that you are acquainted with the arrangements made for the convenience of German soldiers?—Yes.

4719. Will you kindly state to the Committee what their character is?—The arrangements are of a very elementary character. The canteen is not on the same footing as ours; it is not the same elaborate style of thing. It is a very small thing, and run on the personal responsibility of the Officer Commanding the battalion. If there is more than one battalion in the barracks they probably have two canteens.

4720. And is there no convenience for the comfort of the men?—No, they do not go in for that sort of thing. They give them generally a married quarter. They are allowed it without paying rent for it, and this is rigged up in one place as a bar, and in another place as a grocery store.

4721. Is the soldier allowed to go where he pleases for the little extras he requires?—Yes.

4722. He goes into the town and buys what he likes there, where he likes?—He does just as he pleases. They do not use the canteen very much. They go outside for what they want.

4723. Have they recreation rooms for the soldier?—Sometimes, but only very seldom.

4724. Nothing but the bare barracks?—Nothing but the bare barracks.

4725. Are you acquainted with the character of the barracks?—Yes.

4726. Are they well lighted?—No, they are not, and the men are inconveniently crowded in them; but the new barracks are better than the old ones. The men still sleep in two tiers, one on top of the other, and there are cupboards the other side of the room.

*Col.
Grierson, R.A.*

25 April 1902.

Col.
Grierson, R.A.
25 April 1902.

4727. There is nothing inside the barracks to keep the men in?—Nothing whatever.

4728. Everything to drive them out?—Yes, everything to drive them out. They do not go in for anything of the sort that we go in for, or for looking after their men in the way we do. They have not got to do it: why should they? The men must serve, whether they like it or not.

4729. So our soldier is very much more petted and looked after than he is in Germany?—Infinitely more so.

4730. Then we have got nothing to learn from Germany?—Nothing whatever in the treatment of the soldier in barracks.

4731. (*Colonel Lambert*.) I noticed when I was there that they drank an immense quantity of beer, apparently of a very light description?—That is universal in the country. You cannot get heavy beer there, but I do not think that the Germans put the same interpretation upon the word "sober" as we do.

4732. (*President*.) Are they more lenient?—I think so. Many a man is passed in through a German guard who would be run in here, and non-commissioned officers too. They are much more lenient in that way, both in peace and in war.

4733. How are the sergeants' messes conducted?—They are much the same as ours, only the whole standard of living in the country is far behind ours. The sergeants do not have the same sort of standing as our sergeants. They have not the same ideas. Our sergeants think themselves big men, their's do not.

4734. Do they feed with the men?—No, they neither feed nor sleep with the men; they have always a separate bunk. When I say sergeants I mean non-commissioned officers.

4735. They mess apart?—They mess apart. It is a bowl of pea-soup and some meat and vegetables—something of that sort—a very small thing.

4736. There is nothing similar to our sergeants' mess?—There is the corresponding institution, but it is not in the least degree got up like ours—a nice place, with plate and so on, which you see in so many regiments, and which they are proud of. In Germany it is only a place where they devour some food.

4737. I suppose that in an army of the magnitude of the German Army they could not afford to go in for anything in the nature of luxuries, which would make a great call upon their Exchequer?—Yes, I suppose that is partly the reason for it.

4738. Whatever the reason, which does not affect us, the fact remains, as you have said, that we have nothing to learn from the German Army in the management of army canteens?—No. The canteen is a very small thing and it is run on personal responsibility, and it need not be run unless the Commanding Officer wishes it. He is not bound to take over a canteen when he takes over a new command, and he may put a tenant in—an old non-commissioned officer, a retired non-commissioned officer—or he may put in a committee of officers, or he may say, "I will have no canteen." It is entirely a matter for himself, and the Government is not responsible for his debts either. He is responsible personally.

4739. From your experience, both of the German Army and the British Army, which system do you favour—allowing the man to look entirely after himself in his leisure hours, and buy what he wants in the town, or providing for his requirements through an army canteen?—Most decidedly the canteen.

4740. You think he should be looked after?—Most decidedly. Keep him in barracks and give him a comfortable place where he can go to. I do not like the separation between the canteen and recreation room.

4741. Would you like to keep them together?—Yes.

4742. What is your experience of British Army canteens?—When I was brigade-major of the Royal Artillery at Aldershot, I had a good deal to do with the canteens there, and in the Staff in India I have had to do with canteens in the Quartermaster-General's Department, and I have served regimentally.

4743. And is it your opinion that the regimental officer ought to be primarily responsible for the well-being of his men?—Yes, but not for running a canteen. I do not like that. Not to spend his time counting pennies and groceries and that sort of thing.

4744. That is only a question of organisation. But it is the opinion of the greater number of the witnesses who have given evidence before this Committee, that the regimental officer should not have the responsibility of the management of his canteen taken off his shoulders. What is your opinion?—I agree, certainly.

4745. That it is his duty to look after the well-being of his men and, therefore, to look after the canteen?—It is his duty to look after the welfare of his men, and part of that is a well managed canteen. It is not his business to go into the details of it—to run the grocery or the cashiery department.

4746. It is his duty to see that that is managed in such a way as to secure for his soldiers the largest benefit it is possible to give?—Certainly, and to see that it is managed properly.

4747. We have had a good deal of evidence before this Committee which leads us to suppose that there is a great deal of jobbery and corruption going on in canteen management which is very difficult to avoid. Has that been your experience?—I have had no particular cases of it to deal with in my own experience—except very small things.

4748. You have got nothing to say upon that subject?—No. What I could say is of no value. I have found out several cases in a battery canteen of the man in charge of it making a bit over it, and stopped it.

4749. Taking commissions do you mean?—I will give you one case. I found in India, 20 years ago, in the canteen, that the soda-water was bought from a man in the bazaar and retailed in the canteen, and a very large portion of the profit went into the canteen sergeant's hands. He put down that he was selling less than he actually sold. There was no means of checking it till I found out that the bazaar dealer's books showed a great deal more soda-water sent to our canteen than our book showed was sold. Then I impounded the books and compared the two.

4750. There was collusion between the soda-water manufacturer and the sergeant?—Between the supplier and the sergeant in charge. A thing like that can be avoided by supervision.

4751-2. I suppose you have had more than one instance in your wide experience of similar dishonesty and collusion between the supplier and the man in charge of the canteen?—Yes, little things like that. But you can find them out if you look pretty sharply after it.

4753. What organisation would you set up? I like the tenant system. You know exactly what to deal with. You know how much money you will get for your men's messing, and you are relieved of all trouble. You have only to see that his things are not too expensive and that they are up to specification.

4754. The great advantage of the tenant system I understand is that it relieves the officers of the trouble of running a canteen?—Quite so.

4755. And that it does not take any men off the strength for the purpose of serving in the canteen?—That is so.

4756. And from the point of view of the convenience of the officers and military discipline, it is desirable not to have a regimental canteen run by officers and men?—Quite so—especially men.

4757. But, apart from that, if we could set up a system which would secure all the surplus profits, after a small interest had been paid upon the capital invested in the society, for the benefit of the soldier, I suppose you would be in favour of that?—I do not mind how the thing is done, so long as the soldier gets his share, and the officer is relieved of his trouble. Who the tenant is I do not care.

4758. Whatever the system of tenancy may be, whoever may be your tenant, you must have active supervision and inspection going on all the time?—Certainly.

4759. Whether it was a co-operative society which would undertake to give back to the soldier all the profits after 5 per cent. on capital, or whether it was a tenant who kept all the profits for himself, would make no difference in your view?—It makes no difference to me at all, so long as the men's messing is alright. Whichever gives most money back to the men and gives least trouble to the officer that is the one for me.

4760. Would you prefer a system which would give all the surplus profits to the soldier?—Yes.

The witness withdrew.

First Class Staff Sergeant-Major LEWIS, called and examined.

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4761. (*President.*) What is your position?—First-class Staff Sergeant, Army Service Corps, and chief clerk to Sir William Gatacre at Colchester.

4762. You have had a large experience in the matter of canteen management?—The whole of the accounts for that district pass through my hands to be checked.

4763. You have had a wide experience of canteens?—Yes.

4764. The Committee will be glad to have from you a statement of your views on the question of canteen management, and whether you prefer the regimental or the tenant system?—That is given in a word or two. I prefer the regimental system, or, I should like to say, the military system, where it is possible. The unit, that is on the regimental system, is too weak to do anything that is really any good, and I think that there should be a garrison system. In a place like Colchester, where there are several units in normal times, one management for the whole garrison is likely to be of more use than six or seven managements. In that way we can save a great deal of labour, because each unit would have its canteen steward and its waiters under the regimental system, whereas under the garrison system there would be one steward, and other employes would merely be issuers—sellers.

4765. By combination you save cost of administration?—Undoubtedly.

4766. On the other hand, are you not in favour of the regimental officer being responsible for the canteen arrangements of the men under his command?—A military officer, certainly.

4767. But not a regimental officer?—You would have a representative from each unit. At Colchester the barracks are scattered in a large circle round the Abbey Field, and there you would have to have an issuing depot (call it a regimental canteen if you like) at each barracks. There would be an officer of that unit—one only, not three—not a President and two members, but one only. He would be one of the members of the central committee. He would see to the work, because he would have to count the money in the morning, take the stock and that sort of business. So whatever work the committee were doing there would be a representative of each unit on the committee.

4768. A unit being a regiment?—A unit being a regiment, a battery, a brigade-division of artillery, or any body of troops of that kind.

4769. Then the central committee would make arrangements for all the canteens in its district?—In the Garrison the President and six or seven officers. The committee would consist of six or seven, according to the number of units at the station.

4770. Each unit being represented?—Yes.

4771. (*Major-General Eaton.*) That means the striking an officer for each regiment off duty altogether?—Not necessarily.

4772. Surely if an officer has to count the money every morning?—He would only count for his unit—a matter of half an hour's work at the most.

4773. But how can an officer do all that duty and do his regimental duty, guards, pickets, and so on?—Officers do not do guards or pickets. There are but few stations where there is an officers' guard. There is in London, one in Dublin, but at Colchester, no; and it is most unusual to find an officers' guard.

4774. (*President.*) Your opinion, I understand it, is that the best way of managing army canteens is that they should be placed under the effective supervision of some central organisation?—Yes, under the General or other Officer Commanding at the station.

4775. And this central organisation should be practically representative of the various units?—Yes.

4776. So you are working out a federal constitution?—It is the old story of the bundle of sticks which is, stronger when combined, than the same number of separate sticks. Unity is strength.

4777. Are you acquainted with the Workmen's Co-operative Societies?—I have an idea of the system, yes.

4778. You are acquainted with the system under which the working men of England have, to use your own simile, bound themselves together in order to promote their common interests?—Yes.

4779. And that they have formed a big central buying organisation which purchases in wholesale quantities the goods required by the local societies, and that then they distribute among themselves, in proportion to the purchases they have made, all the profits that are realised by the central organisation?—I was not aware of all that detail, but there is one at Colchester.

4780. I understand from what you say that that is the sort of organisation you would look for for your Army Canteens?—Yes.

4781. You want to keep for the soldier all the profits you can?—Yes, certainly.

4782. And to secure him an organisation which will safeguard his interests and obtain for him the very best article that money can buy in the open market?—Certainly, that is my idea.

4783. Could you see any difficulty in carrying that out?—Not at all. Of course it is only theory, all that I am talking. I may tell you that that is the scheme of General Burnett. He commanded at Colchester for many years, and he is the very best man I ever met in my life on canteens.

4784. We hoped to have the advantage of seeing General Burnett but, unfortunately, he is in India and I understand he does not come back till the end of May, but Colchester has a good name for its canteen management?—Being General Burnett's chief clerk, at the time he commanded the Eastern District, I know all about his ideas on canteens. He always discussed his ideas most openly. He wrote a pamphlet which I consider a very able one and which I shall be pleased to give you a copy of.

4785. Is it a confidential document?—It is addressed to officers only.

4786. We can examine you upon its contents?—Yes, I think so.

4787. As to the question of waste General Burnett goes, in great detail, into that?—Yes, that was his strong point.

4788. We have not had much evidence upon this point and I shall be glad to have your evidence as to how we can deal with that very difficult question of waste?—From my point of view you should form a high-water mark, by experience, by close supervision of the canteen, and by keeping your steward and waiters under the impression, that if they do the least thing wrong they may look round at any moment, and find you standing at their elbow. They never knew when to expect the General Burnett: he turned up at all times. Every day stock was taken in the canteen, and the book was sent to the office and laid on the General's table. He went into the various items and he would say: "There is not sufficient profit on the beer; there is something going on wrong; either the stock is being used by the Canteen Staff, without payment, or there is some collusion with the waiters and the customers in front of the bar." The President would be sent for and the General would say: "You see this is not enough, not near enough." He had his own standard. He did not say what that standard was, because it might leak out and get to the canteen steward. But from 15 to 17 per cent. was the standard. This went on for a long time. A great deal of opposition was met with; everything was done that could possibly be done to keep the surplus down low, by the then steward and of course everybody in the establishment was working against the thing. Ultimately the General said: "I have reached it: we have got 17 per cent.: take a sample of the waste beer, as they call it, send it away to be analysed, find out what matter is added to it"—water was generally used. Then he said: "Now then, we have made 17 per cent. surplus profits and we know that this waste stuff is pure beer. So now we have reached high-water mark and we will work between 15 to 17 per cent., and if the book turns out anything like that we will be satisfied." If it falls below 15 the General sends for the President and says: There is something going on, there is a leakage some where in that canteen," and then of course the President will go down and investigate the thing. At last the Canteen Staff have got afraid to drink the beer from the stock without paying, because the unascertained percentage would be pulled down.

4789. As I understand your statement, the result of this experiment was to convince General Burnett and

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yourself that the high-water mark was 15 per cent. to 17 per cent. of unascertained profits?—Of “surplus” profits, I should say; because it is known how they accrue.

4790. I should like to know how they accrue?—First of all you must see that your hogshead is properly full. We frequently found two gallons short and that was a source of loss to the canteen. When the beer had settled, had stood for a day or two in the cellar, there was frequently found to be two gallons short. When beer is “alive,” as it is called, when it has been pumped into the barrel, it runs over, and the man corks the barrel up and sends it to your cellar, let it remain there for a period, and when you come to gauge it, you find a gallon, or two gallons perhaps, short.

4791. What action do you take then?—Point out to the brewer that he is not giving full measure.

4792. It is a gain to the brewer unless you make a representation and make him supply the deficiency?—Yes.

4793. You say there is a deficiency sometimes of two gallons on one hogshead?—Yes, frequently that has been found. The men became then more particular at the brewery to see that the barrels were really full with beer when they sent them to the canteen. That is No. 1 item. You have then got 54 gallons to start with: of that you are sure, and commence to retail, through the pump.

4794. Two gallons on 54 would be about 4 per cent.?—Yes, it would be a big percentage of loss if you were not alive to it. To begin with you must see that you get your measure, 54 gallons. Having started your 54 gallons, you then commence to retail. You pump this beer up from the cellar through long pipes. The consequence is the beer begins to jump about and the air gets into it, and there is a lot of froth. You give a man a pot of beer, but because of the froth he really has not got a quart of beer. If he puts that pot down and lets it rest there will be half-an-inch short after it has got flat, as it is called. So that is really a source of gain.

4795. What percentage should you say is gained?—I cannot tell you that.

4796. (Captain Boehmer.) The deepest pint pot is 4 inches deep; so half-an-inch is one-eighth of that?—But I speak of a quart pot. Soldiers drink quarts. A man has to be towards the end of the week, and without much money, when he calls for a pint.

4797. (President.) However, you think it about one-eighth short?—Yes, I would not contradict that. At all events if you do your very best to fill the pot up as well as you can you will not give the customer a quart. There is a gain from that. Then there is another source of gain. A man puts his pot up on the counter, and he says, “Fill that again,” but it is not empty when he puts it on the counter.

4798. Has he not emptied his glass before he calls for more?—They do not have glasses; these are large tin mugs.

4799. But does not he empty his mug?—He cannot, unless he stood in a fixed position for some minutes and allowed it to drain. They have a knack of emptying the pot on the ground, but even then they do not empty the pot entirely. There is moisture all round; and when you come to draw some thousands of quarts of beer this amounts to something; and there is a profit in respect of that.

4800. You mean a certain percentage of the beer sticks to the sides and bottom of the mugs?—Yes, even though the man tries to throw it out, he does not throw it all out, and that goes to the benefit of the fund.

4801. It will be a very small gain, will it not?—But it is a gain.

4802. And if a man likes a glass of beer with the top on he does not get his full measure?—Quite so.

4803. Then when the man empties his glass he does not empty it, you say, entirely?—No, because if you turn it upside down on a sheet of paper you would find that sheet of paper would be very wet in time.

4804. You think there is a considerable saving there?—Yes, there is a source of profit.

4805. Is it as big a source of profit as the other?—No. I could not tell you what the proportion is. I can

only give you the sources of profit which the General discovered.

4806. If you assume that the froth is one-eighth of an inch and the pot is four inches deep, the profit is equivalent to over 3 per cent.?—Yes.

4807. Your first source of profit is what they call in London, I am told, “a coldstreamer”—that is the froth on top of the fluid?—Yes.

4808. And one-eighth is a very small depth of froth, is it not: as a rule you have more than one-eighth of an inch?—I should think so, I have not gone into those details. I was only enumerating the sources of gain to the fund.

4809. If the depth of the froth is a quarter of an inch then the source of profit is equivalent to 6 per cent.?—Yes.

4810. What is your next source of profit?—Possibly the man has done drinking, and he puts his pot on the counter. The waiter takes it and turns it upside down into a receptacle, and that is allowed to drain, this runs back into the cellar, to a hogshead that is kept on purpose.

4811. Does your experience enable you to make any approximate measurement of the waste beer?—At the Colchester canteen they have a way that is peculiar. It was General Burnett's idea. He said on no account should beer that the atmosphere had once touched, be retailed to the soldier. What he meant by that was this. When a soldier orders beer you pump it into the measure; but anything that drops from the tap must be allowed to go into the waste barrel, and go back to the brewer; because, as the General had said, the atmosphere had touched it. I believe, in public houses, and I daresay in some canteens, they put a measure under this tap, and when they draw, of course some runs over the side of the pot into this measure, and then that is filled and given to the next man. But General Burnett would not allow that at all. He said, “That is the waste beer; the atmosphere has touched it”; and if two men are standing one behind the other, one gets the beer that had run over the pot of the other man; and he said, “If you once admit the thin end of “the wedge by selling waste beer you do not know “where it will stop. It may be served out to a customer “the next morning.” So that has to be sent to the brewer as waste. His strong point with the brewer was this. Some of the brewers in the Eastern District, we found, were making a percentage allowance to the canteens and not taking any waste beer back. The General would not have that. He abolished that at once in the Eastern District. He said, “We want “54 gallons of beer, to sell, when we order 54 gallons; we “do not sell 54 gallons from each hogshead, there is the “bottom of the cask, the overflow, and a thousand and “one things that occur, and we want good liquor in ex- “change for a like quantity of this, what we call waste.” That is what we have got in the Eastern District, and this waste runs very large, in quantity, in the garrison canteen in Colchester, because whenever we close the canteen, we pump up—that is, the tap is turned off in the cellar, and the pipes are emptied of the beer, so that the man who comes to-morrow or later in the day, shall not have the beer that has been in the pipes all night, or any length of time.

4812. To go back to this question of the waste beer, is it a source of profit to the canteen manager?—No, not to the manager; but to the fund. The manager has no interest in it.

4813. First of all there is the waste beer, which is the result of a certain amount of beer sticking to the sides and bottom of the vessel, and what is left at the bottom?—Yes. The men do not always finish to the very dregs; they leave the pot and it will probably be found that three or four large tablespoonfuls of beer will be there, which the men have not finished; they have had enough; they leave it; they do not want any more. It is far more than a few tablespoonfuls sometimes, but, whatever it may be, that goes to the fund.

4814. Another source of waste beer that you were referring to are the drippings which do not go into the glass at all?—Yes, the overflow.

4815. That is a loss to the canteen, is it not, because no charge has been made on that at all?—No, it goes back into the waste barrel. There is a receptacle for catching it underneath, and a pipe conveying it to the cellar.

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4816. Then your practice at Colchester is to call upon the brewer to buy back your waste?—Yes.

4817. Does he consent to do that?—He has to do so. We should change the brewer if he did not.

4818. (*Major-General Eaton.*) That is a common practice amongst canteens, is it not?—It is in the Eastern District.

4819. In London we always have our waste go back, or there is a serious temptation to the steward to use that waste for his own profit, so to speak?—I cannot say that I follow that.

4820. Suppose the steward sells his waste to the soldier?—But the money must go into the fund.

4821. It may go into the steward's pocket?—He gets a pint of waste, and sells it to a man; the man is in a hurry and does not realise it and the steward puts the money taken for that pint into his own pocket instead of into the till.

4822. That was before the time of the locked till?—I am talking of the present day. At the present day, all beer is sold in front of the bar. You have no other means of getting to the canteen except in front of the bar, and the canteen is open at a certain time, 12 noon, to 9.30 p.m., and there is a notice stuck up "all money to be placed in the locked till." Of course it does not matter to the steward whether it is a pint of waste the man has or a pint of good beer, because he has 54 gallons to account for and the General expects 15 per cent. to 17 per cent. surplus.

4823. (*President.*) The leavings in the glass are of course a part of the unaccountable profit?—They go to make up that percentage.

4824. But is it not fair to deduct a certain percentage for the overflow which you have referred to?—That runs back into the barrel.

4825. General Burnett's experiments led him, you say, to expect 15 to 17 per cent. in addition to what I may call the normal profit on the beer?—In addition to what we will call the arithmetical price of the beer. If it is sold at 1s. a gallon the arithmetical price is 54s. But we want more than that; we want 17 per cent. over. I have the books of the garrison canteen, which show you the enormous amount of surplus profit made, if you would like to see them.

4826. I suppose sometimes a careless barman allows a good deal of overflow to go straight down into the cellar through the waste pipe into the hogshead of the waste beer?—Yes, but then that goes back to the brewer. The brewer frequently complains that our waste is excessive, but he has to endure it.

4827. Did General Burnett in arriving at his calculation of 15 to 17 per cent. take anything for overflow?—No, not at all, because, although it is an overflow here above ground, it goes back into a receptacle below.

4828. Then the sources of profit are the froth on the fluid and the waste in the bottom and sides of the pot?—Yes.

4829. Are there any other sources of profit?—I do not see any other sources; I cannot think of any at the present time.

4830. (*Major-General Eaton.*) Have you had any experience of the big thumb in the top of the mug?—Yes, but I think that is an old joke. If I saw a man putting his thumb into a pot I had to drink from, I should tell him to give me another pot. I think that old story originated on board ship when they served out a tot of rum, and the man put his thumb into the tot of rum. But I might tell you it is really the intention that the customer should get the quantity of liquor that he asks for, and the waiters are told to give the man his full measure, and not to froth the beer up with a view to make illicit profits. But do your best, and you cannot fill it right up; you cannot give him a full quart measure.

4831. You cannot put a gallon of beer into eight quart pots?—No: and the more small pots you have to put it in, the larger the percentage of profit.

4832. (*President.*) The smaller the glass the greater the profit?—Yes. Another source of profit has just occurred to me. Suppose a regiment has been route-marching, and the men are very thirsty; directly they are dismissed they rush over to the canteen to get beer—200 or 300 of them. The waiters are working like niggers to pump the beer up, and I think a large profit is often made then. You cannot fill the pots up if you

try to do it very quickly, and if a man said, "My pot is not full," the man next to him would push him out of the way, and put his measure in to be filled.

4833. The man has to drink what is poured out for him?—Yes.

4834. (*Major-General Eaton.*) At a time of great pressure in a canteen there is enormous waste?—The man would be thirsty, and he would not wait to see if he got his full measure.

4835. (*President.*) In Colchester you save these unascertained profits for your canteen fund?—Yes, they go into the fund.

4836. And is your experience that General Burnett's calculation is pretty correct?—It is quite correct when the canteen is running straight. If you have waiters that keep drinking, of course that comes out of your unascertained profits.

4837. Where do you get your beer from in Colchester?—Messrs. Nicholl's & Co., local brewers.

4838. Does the G.O.C. select it?—It was General Wood, I believe, who selected that brewer.

4839. Is the taste of the men consulted before they choose the brewer?—There has never been a choice during my time.

4840. How long have you been at Colchester?—Nine years in July next.

4841. Do the men grumble at the beer?—I have never heard a word.

4842. Only the best beer is obtained?—That is my impression.

4843. But neither you nor any representative of the men have any voice in the selection of the beer?—No, there has never been a selection made in my time.

4844. You just take what is given to you without any complaint?—That is it.

4845. And no complaint is ever made?—I have never heard complaints.

4846. What is done with the profits realised by your canteen?—We spend a lot of money on amusement in Colchester, and the remainder is disbursed through the regiments by a system that we have according to the number of rations drawn.

4847. Through the regimental officers?—Yes. It is published in District Orders:—"The following disbursement has been sanctioned by the General Commanding such and such a Regiment, so and so," and the means of arriving at that are copied and sent to each Commanding Officer with a cheque for the amount, so that if a Commanding Officer said to himself, "Well, I have got 50l. and here is a regiment which has got '75l.; how is that arrived at?" as all the arithmetical working of it is sent to the Commanding Officer, he can see for himself.

4848. In your long experience in the Army you must be pretty well acquainted with the opinions of the men as to how these profits are appropriated?—It is a point which I do not think I ever heard mentioned by the men.

4849. Do they take any interest in the appropriation of the canteen profits?—I do not think they would take the interest that a man like myself would do if I were a private soldier with my present knowledge.

4850. You evidently take a keen and intelligent interest?—It is my work.

4851. But is it not the fact that a large number of the rank and file in the Army think that a certain percentage of these profits go to the officers?—I do not think the ordinary soldier, especially the men we are getting now—the young recruits—think anything about it. I do not think the men think at all, on this subject.

4852. But surely if the profits of the canteen are appropriated for the benefit of the soldier, the intelligent soldier must discuss with his friends what use is made of the profits which really belong to him?—I have not that experience.

4853. That is your opinion, based on your knowledge of the recruits you are getting in the Army?—The present-day recruit does not think at all on this point. That is only my opinion, and I give it to you for what it is worth.

4854. You think it does not enter into his mind to consider it?—It is too intricate for a lad of 17 years

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of age; perhaps he can read and write, but that is about all.

4855. When does he begin to think of these questions?—When he goes abroad, and has not much to do, and has got over his drill. I should think he would begin then. Of course, if the men are contented—that is, if you keep them fully employed and amused—there will never be any grumbling, or anything of that sort. I take it that when the men begin to grumble in the barrack room, it is when they are idle, and have nothing to pass their time away with. My experience of the present-day man is that, although he is getting an increase of pay, it does not seem to do him very much good. Because directly he gets the money in his pocket, he does not rest until it is all gone. He throws it away on things which are really of no use to him.

4856. Do you think that would be your opinion if you were a young recruit of 18 years of age? Would you not like to get as much money as you could?—I expect I should be the same as my confreres; I do not think there would be any difference.

4857. You are not against the soldier having an increase of pay?—By no means. He must have it, because he will get the money in the labour market if you do not give it him.

4858. You think the soldier is well off now?—Yes, for the class of men we are getting. You get a boy who has been earning 6s. or 7s. a week, and you give him more than that. I am speaking of the recruits we are getting now. I am not speaking of the Army under normal conditions.

4859. What is the difference?—You have not the old men for the lads to look up to. At present, the only thing I can compare the barracks at Colchester to is a large school with a lot of rough boys in it. We have no old soldiers at all in Colchester at present.

4860. That is what you call abnormal?—Yes; of course the men are in the "field" at the present time.

4861. That will not be true when the men come back?—By no means. I may say our canteen accounts are published, showing the receipts and expenditure, in an elaborate form, every month. There is one of the forms.

4862. (*Major-General Eaton.*) Surely all the men are not so improvident as you have just suggested?—No, I was speaking generally.

4863. Were there not a large number of men who used to put their money into the regimental savings bank before it was, unfortunately, done away with?—I was in the ranks in those days. I think it was the men who were abroad who, generally speaking, saved up money, because they wanted some money when they came home. I think the men in garrison towns did not save up their money.

4864. My experience in the Brigadier Guards was we had hundreds of men with very good banking accounts—as much as 180l. ?—I was orderly-room clerk in my regiment for six years, and I kept the banking accounts, and about 90l. was the highest total I ever touched.

4865. The opportunity which the savings bank offered being done away with, the men spend more money than they did?—I know myself, in the days gone by, that a colour-sergeant would say to a young fellow, "You have not got a banking account; why do not you put some money into the bank, if it is only 2s.?" Of course that is done away with, but that is another matter altogether.

4866. The man having the money in his pocket and nowhere to spend it inside, goes outside?—The lad, directly he gets money, begins to eat. He buys apples and things of that sort that are sold about the barracks.

4867. Do not you think the savings bank was a good thing for the young soldier?—Undoubtedly. It was a great mistake doing away with it, in my opinion.

4868. (*President.*) I suppose you ran your dry canteens on the same principle that the workmen run their co-operative stores?—The dry canteen is out of my depth; my experience is with the wet canteen.

4869. As an old soldier, what do you think would be the benefit to the individual soldier? Suppose he received at the end of every quarter a share in the profit proportionate to his purchases, or that they were credited to his account in the books at the canteen; then, as his profit would be slowly mounting up, his

book at the canteen would be his bank book, and he would be saving almost unconsciously. Would not the same result be obtained for him as was obtained for him under the old system of the regimental savings bank?—Do I understand you correctly that you are suggesting that the individual soldier would get his money credited to him, or that it would be handed in bulk to his Commanding Officer?

4870. I am suggesting that the profit that was made on his purchases should be handed to him individually?—I have been told that I am too radical, but it has always been my idea that that is what should be done with the canteen profits. My wife occasionally goes into the Co-operative Store and buys something. They give her a ticket showing that she has spent 6d. or 1s., or whatever it may be, and then at the end of a certain period if you present these tokens at the counter there is a dividend given on them, but I am told that that is too radical.

4871. Without saying whether you are a radical or conservative, do you think that would be a good system to apply to your Army canteens?—Yes, because the private soldier would see what he gained. By the present system of giving 50l. or 100l. to the Commanding Officer, the ordinary soldier does not know what is done with that money.

4872. (*Major-General Eaton.*) How are you going to keep all these accounts?—Of course that is a detail which I would have to think out.

4873. (*President.*) The working men do that already in a very large number of concerns?—I might point out that you have just broken this view on me as it were; I have not thought much about it.

4874. I am not suggesting how it should be done, but, if it could be done, do you think it would be good?—You have sprung this on me suddenly. It is a thing that wants looking into. There is this difference that occurs to me at once—that the civilian, if he does not choose to deal at the local co-operative, does not do so but the soldier has no option, he would have to deal at the canteen.

4875. Therefore it is desirable that the canteen should be under his control, as much as possible, without, disregard to the requirements of discipline. Now he is at the mercy of the tenant who has the dry canteen?—I am dead against the tenant system.

4876. Why?—I would not introduce civilians into the barracks under any consideration whatever.

4877. We have had a great deal of evidence to show it is very undesirable to keep men on the active pay list engaged in the management of canteens?—Quite so. They should not be. They should be pensioners. In the garrison canteen at Colchester they are all pensioners.

4878. You find that works well?—We could not work it otherwise. If we took the soldier, he would be required for training at gymnastics, musketry, &c., trained soldiers cannot be got at present.

4879. But the pensioners understand the soldiers?—The soldier in active service is inclined to be angry if you find fault with his work. He would say "I will go to my duty." But you have to pay the civilian an increased sum of course—perhaps three times as much as you pay the soldier. He is generally a married man, and an elderly man, and he knows that the food of his children depends on his work. The two systems are not to be compared.

4880. Is that the view of the men generally, do you think?—I do not think they think much about it at all. It is doubtful if the soldier thinks much at all.

4881. (*Colonel Lambert.*) I understand that you yourself are very active in the interest which you take in the theatrical arrangements at Colchester?—You might put it in this way, that I am the music hall manager there.

4882. In addition to being the canteen accountant?—Yes.

4883. I understand that the theatrical arrangements are paid for first out of the profits of the garrison canteen, and what remains afterwards is given to the Commanding Officers?—Yes.

4884. Do you know at all what the bill for the theatrical arrangements amounts to per month roughly?—At Colchester, speaking roughly, 13l. a week.

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4885. Is any other garrison deduction made other than that before the profits are passed on to the Commanding Officer?—Only the working expenses.

4886. You say that these young soldiers do not bother themselves very much about what becomes of the profits?—I do not think they do, but of course it is an opinion I am giving you.

4887. Is the rebate on the messing that is given to the men made by the individual Commanding Officers to the units which they command?—It is done at present by the individual Commanding Officer. But I would like to take you back a few years to General Burnett's period. General Burnett insisted upon doing that himself. Every month there were district orders:—The General Commanding has sanctioned the disbursement of the following funds to regiments for messing—such and such a regiment 18*l*. That was 2*l*. per company and 2*l*. for bands and drums. Then the Commanding Officer had an order that this district order was to be quoted in the messing book of the men—2*l*. for each company, or the proportion according to the strength of the company. The Commanding Officers did not like this. One Commanding Officer said to me: "Of course the 2*l*. a month are spent; but it is waste. The men do not want it. They have got quite enough food with a very small supplement. 2*l*. is too much. But under the General's orders it has to be spent during the month." As soon as a change of Generals took place the Commanding Officers represented the matter pretty strongly. They said, "We do not mind giving this money in extra messing, but we want to do it ourselves." So Sir William Gatacre saw their view of it, and we have discontinued giving the money direct from the garrison canteen.

4888. You say they do not take much interest in what becomes of the profits. I put it to you that if they found a reduction in the grant money in one particular month, they would take a very great interest in that?—My experience is the private soldier does not see what is termed the grocery book very much. It is between the colour-sergeant and the orderly corporal. I am speaking of years ago, however. My connection with the soldier in the barrack room has been severed for many years.

4889. As you describe yourself as music hall manager and wet canteen accountant, I will ask you have you ever noticed any difference in the beer takings when there is a theatrical show and when there is not?—Yes, the amount taken for beer when there are amusements will be greater than when there are not, undoubtedly.

4890. There is more beer sold on those days?—Undoubtedly.

4891. The whole of the evidence that you have given to this Committee is founded on the locked-till system, is it not?—Yes.

4892. Do you think there are any ways of getting round a locked till?—A rogue can get round anything.

4893. When you clear out your pipes at night-time, so as to empty them and so on, the percentage of waste that is returned to the brewer is either much or little according as the barman and the canteen steward are careful or not?—I should think it runs very much the same every month. You must take a month as a unit.

4894. Do you know what proportion you are returning at Colchester as waste?—No, but we could tell you every gallon that we have returned.

4895. It would be easy to work out the percentage?—Yes, but I am not prepared to answer that now, because I never anticipated such a question.

4896. It is greater than the allowance which is usually made by brewers?—What is the allowance?

4897. I think brewers allow 3 per cent. for waste, do not they; it is a very common allowance?—You mean instead of taking waste back?

4898. Yes?—It differs according to the man who makes the bargain with the firm. The brewer will not give you anything if he can help it.

4899. You think it is larger when you return it in bulk than if you take a percentage?—Of course. If you have a bargain with him at 3 per cent., or anything like that, the steward naturally sells down to the last drop he can draw from the barrel, and the man begins to get what he calls "bottoms." He says it tastes of

the wood. At present it is not to the interest of the stewards to do that, so the men get good beer.

4900. With your long experience can you suggest any means of carrying on a sergeants' mess to the greater comfort of the members of it, and to avoid any of the irregularities which, unfortunately, do occur in such places from time to time?—You are treading on a point now which is, I may say, almost personal, because, having been a sergeant so many years, I myself would say to the authorities, "Hands off, please; you do not interfere with the officers' mess, please do not interfere with the sergeants' mess." That would be my answer.

4901. If it were necessary in the interest of the officers' mess there is no question whatever that the authorities would interfere with it, supposing any irregularities occurred?—With the sergeants' mess, the machinery at present, I think, is quite adequate to deal with irregularities.

4902. You make no suggestion as to that?—No, because it is almost like interfering with a man's private home. Probably I look at a sergeant's position from a different point of view from an officer. I look at the sergeant as as near an officer as can be.

4903. So do I?—A man whose word you should rely on, and all that sort of thing. Unfortunately, I believe, it is not every man, whether he is an officer or a sergeant, whose word you can rely on. But if the second in command looks in at the sergeants' mess, the sergeants will be very happy, because the second in command under the regulations is the head of the sergeants' mess.

4904. Since you say you think the sergeants' mess should be no more interfered with than the officers' mess, I will ask you whether you would see any objection to applying the same arrangement of no cash and everything being put down in the sergeants' mess exactly as it is in the officers' mess?—No; I should not suggest that.

4905. What would be the objection to it?—A man of small means would play cards for drinks, and he would lose, and when he had to settle that bill at the end of the month, if he was a married man perhaps his family would suffer.

4906. That is your reason for thinking that the arrangements for the officers' mess would not be applicable at the sergeants' mess?—In that sense, yes, because you are dealing with men whose only source of income is their pay. If a sergeant who is married does his duty by his family, he has very little left to drink, so you do not want to increase the facilities for drinking. There are certain people who go on the drink; they cannot resist it. Take the case of a man with a family; he goes on a drink without paying, and at the end of the month he has drunk 2*l*., and perhaps he could not afford to pay more than 5*s*., if he really did his duty to his family.

4907. Does not that suggestion rather make in favour of some control which would prevent such an individual as you have mentioned going on the drink?—I would control him from the inside, the same as you would do the member of a club. I take it that in a gentleman's club, if there was a member continuously going there the worse for drink they would soon tell him that he must push on and not be a member of the club any longer. Or, if a man started to run a bill, and was not able to pay, he would be asked to resign. A sergeants' mess runs all right with a good sergeant-major.

4908. You are making the same suggestion which many others have made. You say so much depends upon having a first-rate sergeant-major?—He is the senior member of the mess; all the sergeants take their tone undoubtedly from the sergeant-major. I have met splendid messes, and I have met quite the reverse. In my experience at Colchester we tried a sergeant-major by a general court-martial for tampering with the mess and the caterer, and getting liquor without paying for it. But, then, the cause of that was, I believe, the Commanding Officer selecting such a man for sergeant-major.

4909. My suggestion was with a view to amelioration of such messes as those of which you have spoken, which were not up to the standard of the other?—I am jealous of the sergeant's position. I do not know if I make myself quite clear, but I do not want the private soldier to think that the sergeant is looked after in the

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same way as he is himself. If you do, you weaken his position. I want the private soldier to look up to the sergeant, and to say "Yes" with respect to him; not to say "that is a drunken fellow, he ought not to be a sergeant"; and that is the sort of thing that is going on in the Service. I think that they should manage their own affairs. Of course the colonel of a regiment would interfere with an officers' mess if he thought the officers were not going on as they should, and I know, from my position as confidential clerk at Colchester, that Commanding Officers are asked to explain different things that happen.

4910. You have at Colchester known cases of caterers who have been, shall we say, unfortunate?—Yes, have been tried by court-martial. Those men should never have been caterers.

4911. (*President.*) What suggestion do you make?—The second in command is the head of the sergeants' mess, and he should exercise supervision about who goes in to cater. There is a class of men who cannot touch money and be honest. I have met with them—sergeants who have always been in trouble, who are always going round to their friends saying: "Lend me 3*l.* or 4*l.* Somehow or another I am money short." But it can be easily accounted for how it is they are money short. Such men do not know which is their money and which is other people's until they come to settle up.

4912. We have heard from the evidence that has been already put before this Committee that your ideal sergeants' mess would be one of the best in the Army?—Yes.

4913. We should like to know how it differs from an ordinary sergeants' mess?—My experience is that there are some sergeants' messes you can walk into and order a drink at any time you like. If you return from the theatre, you say "I am going to the mess to have a drink," and you will always find somebody there. The caterer will be selling liquor after hours—I a.m., and that sort of thing. Where that occurs, that is a bad sergeants' mess, for that caterer is not going to stop up out of bed unless he is making something for himself. If a caterer goes in and takes it as a duty only, then at 11 o'clock he can shut his door, and he will do so.

4914. I understand the usual practice in the Army is for the sergeants to take the caterer's business from month to month?—I think usually it is quarterly.

4915. Is it the usual practice that every sergeant, unless he is disqualified as being notoriously unfit for the duty, takes his turn as caterer?—I never was caterer of a sergeants' mess and I have been a sergeant many years. It is generally the "duty" sergeants that do that sort of thing, and in a regiment of 40 sergeants, when you have taken regimental staff and colour-sergeants out, the number dwindles down to 14 or 15 sergeants; and those are all you have to pick from.

4916. Then you do not admit that it is matter of common knowledge that the caterer of a sergeants' mess as a rule is putting money into his own pocket?—I am sorry to say it is my opinion that it is the case.

4917. How are you to cure that?—Through the second in command.

4918. (*Colonel Lambert.*) What the Committee want to get at is some practical means to be devised in order to control the position of the caterer, not so much in the interest of discipline as in the interest of the other sergeants who are members of the mess. Of course we must legislate for exceptional cases, and money sticks to the fingers of some of the men you have spoken of. Now, without offending an honest man's proper feelings, how could you, supposing you have got hold of a wrong caterer, put the matter straight?—Take your stock every day, the same as we do in the canteen.

4919. Who should take it?—The president of the mess should take stock every day.

4920. Including the cellar?—Certainly, it would not take long. Make up the book every day.

4921. (*President.*) Who is the president of the mess?—A colour-sergeant usually. There are two. One is the treasurer and the other the president, and then a sergeant is selected as caterer.

4922. (*Colonel Lambert.*) You say; Take stock every day?—Every morning. Then if he finds the money given in by the caterer does not reach the high-water

mark—and in my opinion it should be much higher than in a canteen—

4923. With your experience should you think this excessive. If the profit—that is the difference between the buying cost and the retail price—be 45 per cent., then if there be only 10 per cent. over that (that is 55 per cent.), that he gets 1*s.* a day and so on up to 70 per cent. till he gets 2*s.* 6*d.*?—I would not have that at all.

4924. Is there any objection to that?—I think, myself if I was sergeant-major of a regiment, if I found a man whom I knew would make a good caterer—and a good caterer means all in all to the sergeants, because he usually arranges for their food, and the difference in messing with different caterers is marvellous—I say if you get a good man, and he is willing to keep the position, make him the sergeants' mess caterer the same as the mess sergeant to the officers. It is no loss to the regiment, because you have to have a sergeant out of action doing catering now.

4925. What percentage of unascertained profits would you look for from such a sergeant?—If I was sergeant-major I should want to find that out from experience. I can now only give you an opinion. I should say 20 or perhaps 25 per cent.

4926. (*President.*) And you would levy that percentage in your sergeants' mess at Colchester?—Of course, I do not belong to the sergeants' mess now. But I am speaking of a mess that would be conducted upon the principle that every farthing that went over the counter went into the accounts. To begin with, sergeants take their beer in glasses; in the canteen the usual measures are gallons, half-gallons, and quarts. Now the more measures you have to serve in each gallon the more profit you make. We have only one profit, and that is the first pull. Go to a sergeants' mess and call for a glass of beer, and directly you get it you empty it into a proper measure to see if you have got half-a-pint. I am sure you will find you have not. So the profits must be enormous in a sergeants' mess—that is, the actual profits.

4927. (*Captain Boehmer.*) How long is it since it has become absolutely compulsory to take out a licence for a canteen?—It is not compulsory when military men are conducting it. I am not speaking of a tenant, because a tenant has to have a licence.

4928. The difference, then, between a canteen run on regimental lines and on the tenant system, is that one is practically a licensed public house, and the other is a club?—Yes. But I might say before you go any further, that at Colchester we took out a licence at the garrison canteen. The object was this. It being a garrison canteen, men of various units came to the bar for liquor. Some would be dressed in plain clothes; some of them would be men who were officers' servants, waiters, and a thousand and one people—perhaps soldiers going away, taking their discharges, recruits coming up to join their regiments in plain clothes, and so on. To protect the steward against the Excise it was necessary to have a licence. It costs about 4*l.* or 5*l.* or some small sum like that.

4929. So you voluntarily put yourself on the footing that you might serve any civilian who came there?—Yes.

4930. If you did not take out a licence, you would not be allowed to serve a civilian?—That is so.

4931. That is, you make your house an open house instead of a house closed to all but soldiers?—Yes.

4932. (*Major-General Eaton.*) You are not allowed to serve civilians in military canteens?—That is the military law. But the civil law has no power over you if you serve all the civilians that like to come up, so long as you have got a licence. But the military law is laid down in the King's Regulations, as to who shall deal at canteens.

4933. (*Captain Boehmer.*) If it is let to a civilian tenant he is bound by law to take out a licence?—Yes, because he cannot sell beer to the soldier without a licence.

4934. Do you know the gravity of the beer supplied at the Colchester canteen?—No.

4935. Is not there a fixed gravity?—There is a gravity laid down in the Regulations. That is outside my province. That is in the province of the president of the committee.

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4936. (*Colonel Bridge.*) Do not you think that by insisting on your unaccountable profits being as high as 15 per cent. you run a certain danger of making your bar people issue short measure?—Of course we do not tell the steward what the percentage should be; he does not know.

4937. He knows you are exacting a high percentage?—I think, myself, he has no difficulty in making 15 per cent. while being as honest as a man can possibly be towards the customer.

4938. Does your experience of nine years tell you that regimental officers object to the control by the general central canteen as tending to destroy their interest in the welfare of the men?—Commanding Officers do not like to have the patronage taken out of their hands. That is the way I put it.

4939. It has been said here that a really good three-penny ale, consisting of, I think it was, 75 per cent. of good malt and hops, cannot be brewed?—I do not know.

4940. You have a threepenny ale?—Yes.

4941. It has also been said that men will buy at least a pint, because they cannot well buy half a pint at three-farthings, and therefore the threepenny ale encouraged drinking, and drinking of an inferior quality of beer?—That question of drinking opens up a very wide field of thought.

4942. Try and limit yourself to this particular question: Do you think there is any truth in that suggestion?—I do not believe myself that there is a soldier living who would call for half a pint of beer.

4943. You think a good threepenny ale can be served?—Yes, I am certain that the ale sold in the canteen at Colchester for 3d. a quart is good and palatable.

4944. (*Captain Buchner.*) What price do you pay for it per hogshead?—There are fractions in it: it is 7½d. a gallon, and we get 10 per cent. discount. But there has been an increase, I may tell you, in the price recently since the War Tax was put on.

4945. (*President.*) You have a theatre?—Yes.

4946. Do you serve beer in the theatre?—No.

4947. And you are not in favour of it?—Individually I am, and I will tell you why. If a man wants beer he will have it, even if he has to go up a ladder to get it; and by removing the beer from the vicinity of the music hall you only inconvenience the individual, and do not gain anything by it.

4948. I suppose you will admit that if you make it easy for him to get it, he is more likely to drink a glass of beer than if he has to go up a ladder to get it?—If he is a drinker and he has 5s. per week he will drink that 5s. per week.

4949. What do you say as to the recruits you have now?—They do not drink beer at all. Sometimes the takings at the garrison canteen are only 25s. to 30s. a day.

4950. The young soldier is not a drinker?—He could not drink, he would get drunk if he did.

4951. How long does it take him before he becomes a soaker?—I will not say a soaker, because a man during the course of a week can drink 5s. worth of beer, and be none the worse for it.

4952. You stated earlier in your evidence that your experience at Colchester was in keeping the accounts of the wet canteen?—Yes.

4953. Nothing to do with the dry?—Nothing to do with the dry.

4954. Do you find that the consumption of beer is decreasing per head?—At present, but this is abnormal.

4955. Because you have got boys?—Boys instead of men.

4956. But when the soldier comes back from Africa, what do you say?—There will be a very big drink when they come back, for the first month. In Colchester, under General Burnett, we had a theory, and that was, that it was better for the military authorities to furnish the man with what he wanted, rather than allow the outside people to do it. I will explain what I mean by that. You must bear in mind the class of men we are getting for soldiers. Their highest form of amusement is a variety theatre. When I first went to Colchester, before we started this thing in full swing, there were two music halls in the town. They

are both shut up now and have been shut up some years. One was a very low place indeed, and of course bad women had access to this place. So the result was this. Not only was the man charged more for his beer in these places, and probably not given as good a liquor for his money, but there was the risk of the soldier running against the women in the town. The General's idea was this:—The men want a music hall entertainment; I will bring it to their doors and they will stop in barracks, and if they drink a lot of beer and make trouble we simply have it inside and nobody sees anything about it. Prior to this it was no uncommon thing to see a man dragged by a picket and followed by a mob of 200 people for a mile or more through the town into the guardroom.

4957. That sort of scandal is now practically unknown?—Yes. Before the war broke out there were no pickets in town, the pickets were in the guardroom to be fetched out if required. I will tell you another thing that has been done—at least, we take credit for having done it. I remember that the General, year after year, in his annual confidential report of the district had to regret that the venereal was on the increase. In that large garrison I have known there to be 90 to 100 cases under treatment in hospital. Yesterday the number was below 10. I forget whether it was 7 or 9, and that is a wonderful thing to achieve.

4958. What is the usual percentage?—I do not know the percentage, but there used to be about 90 cases and more. The General would have to apologise and regret that this was still on the increase. But you see our idea is this. A young man goes to town, he goes to a music hall, he goes out cleanly done up and dressed; he means to be back in time; he gets into company with women and gets drinking, and he will take spirits as well as malt liquors; he gets fuddled, and goes away with the woman, and gets something which is a trouble to him for weeks, it may be for years, it may be for life. On the other hand if we keep the man in barracks he may drink his fill but he is none the worse for it; he goes to bed and he has escaped the danger he would have met with if he had been in town. That is the theory. It may be high falutin', but there it is and the results seem to show that it is correct.

4959. Your experience leads you to believe that your theory is correct?—It does. In the hurry of coming away this morning I have forgotten to bring a letter from a Colonel of the Irish Fusiliers, thanking me for the entertainments at the music hall that were given during the time that his regiment was stationed at Colchester. The General himself goes to the entertainment; he has frequently been there.

4960. Are the expenses paid out of the wet canteen profits?—Yes, paid by the president every Saturday.

4961. You are the manager?—Yes I know all about the work.

4962. What does it cost?—We engage four artists for the stage—three females and one male. We employ soldiers in the orchestra. We have an orchestra of 14 performers. We give the men an entertainment that it would take London to equal. It costs about 13l. a week; but it is the money of the very men who are receiving the entertainment. It is not the money of the goody-goody men who patronise the soldiers' institute.

4963. (*Major-General Eaton.*) When was the licence done away with of the military canteen?—Any regiment can march into a station and open a canteen without permission. Regimental canteens must not serve anyone but soldiers.

4964. It used to be compulsory to have a licence?—I do not remember that period.

4965. (*President.*) What do you mean by the goody-goody men who do not go to the regimental institute?—I mean the soldier who does not go to the canteen. I do not suppose, when I was a young soldier, that I went to the canteen twelve times.

4966. Then you were one of the goody-goody ones?—Yes.

4967. You would like to increase the number of these men?—Certainly. You would have better soldiers, in my opinion.

4968. So you do not mean to use that term as a term of reproach?—Not by any means.

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4969. You are in favour of the institute?—Yes. But I may tell you my experience of Colchester is that they do not do much good, if you can judge by the attendances. In going to the garrison canteen you have to pass the soldiers' institute. It is just inside the barrack gate—and I see a few boys there running about, playing round the billiard table, and sometimes I see a clergyman with his coat off playing billiards with somebody, but only two or three people are there. The institute does not cater for the majority. That is the secret of the whole thing.

4970. There is bad management?—No.

4971. If you had to run this institute I will be bound to say that it would be more popular?—I dare say I could fill it once a week, but I could not fill it every night like I can the canteen. The men will go where they can get the beer and amusement. There is a recent order that all these entertainments in the canteen are to be done away with. If carried out, I am sure night after night you will find many empty seats there.

4972. In your long experience have you known of commissions being offered to canteen managers?—Of course, tradesmen are the greatest sinners in the world in that way.

4973. We have heard a good deal of evidence on that point, and I should like to hear what you have to say upon that subject?—Speaking from my experience at Colchester, there seems to be a monopoly in the trade there. The same people have been supplying the canteen ever since I have been there, and all competition seems to be dead. There is never anyone else applies to cater; they say our prices are too low.

4974. What is your view?—I should think that is so.

4975. Do you think it is owing to the difficulty of a man who does not give a commission getting the trade?—I do not know about that, because the brewer was doing it in General Burnett's time, and the General said to him, "Now look here, what do you give the canteen steward?" So he stammered and stuttered a bit, and then he said, "We do not give him much." So the General said, "What do you give him?" He said, "Well, sir, a matter of 1*l.* per month." The General said, "Why do you give him 1*l.* a month?" He said "For him to do what he ought to do, sir." "What is that?" "Not to damage our beer, so that we shall lose the trade." And, on cross-examination, it was found out that each waiter got half-a-crown from the brewer also, so that they should not damage the stock; at least, that is the way he put it.

4976. Then is it your experience that if a wholesale merchant does not make it worth the while of the canteen managers and their servants to take care of the stock supplied, they run the risk of having their stock damaged?—The General put it in this way. He said, "This must at once cease"; and now our canteen manager knows that punishment will occur if he is discovered taking anything from the tradesmen. They are pretty well tied down now. They are not even allowed to give anything to the men at Christmas.

4977. What happens if they are found out offering a bribe?—I do not know in my experience that it has ever been discovered. But a tradesman would be changed, I should think.

4978. But it is a matter within your knowledge that the practice is pretty universal in trade all over the country, is it not?—In the days gone by I believe it was a universal practice.

4979. But you think there is a change for the better now?—I do. I think the tradesman is afraid to do this thing.

4980. He is afraid of losing custom?—Yes, if found out—that is my opinion. General Burnett was up to all these ropes, and he knew how to put these questions to the brewer. The brewer, of course, is our principal tradesman. He said, "If you can afford to give this to the men, I want to pay a cheaper price for the beer"; and he knocked another 5 per cent. discount off the beer. The brewer only gave 5 per cent. discount; the General made him give us 10 per cent., so as to secure this money that he had been giving to the waiters in the past.

4981. You are satisfied it is now run with clean hands?—I am sure of it. We have got a very good steward at Colchester.

4982. What do you pay him?—At present he is only getting 4*s.* a day; his normal wages are 6*s.* We have had to reduce the wages of all the employees, because we had such a bad trade—we have but few troops there.

4983. (*Major-General Eaton.*) What is the average taking of the bar a day?—I could not give you the average, because it fluctuates so much. I have known one day when 50*l.* was taken, but that was most abnormal. Under normal conditions, when the troops are back, if the money does not run into two figures it would be thought that the canteen was doing very badly—12*l.*, 13*l.*, something like that.

4984. What is the average number of men?—I should say anything between 1,300 and 1,400.

4985. (*Colonel Lambert.*) 1900 was a war year, and I see here in a return under your hand 18,610*l.* total taken during the year?—Yes.

4986. The gross profits during that year were 2,156*l.* 1*s.* 3½*d.*?—Yes; that is an extract from the books.

4987. Were pensioners employed when this was drawn up?—Yes, always, since I have been there, pensioners have been employed.

4988. The amount of rebate now offered by tenants is greater apparently than you were able to make during that particular year?—I should not think so. I should be surprised to hear it.

4989. (*President.*) The gross profit of 2,156*l.* on an average strength of 1,500 men would work out at nearly 30*s.* a head, would it not? What would the tenant offer?—My experience of the tenant is he offers 6*l.* per hundred men per month.

4990. From this gross profit you have to deduct, of course, the wages of the canteen manager and all the depreciation charges?—Yes.

4991. The 10 per cent. discount you have referred to was returned by the brewer on the gross amount of beer?—Yes, deducted from his bill at the end of the month.

4992. The tenant gives from 3*s.* to 4*s.* per month a man in some cases?—A tenant could not buy cheaper than we buy, I think, unless he was a brewer himself.

4993. That is the amount they are giving at canteens?—I do not know.

(*Colonel Bridge.*) At Aldershot in the first and second brigade they are giving 4*s.*; that is the competition price.

4994. (*Major-General Eaton.*) These fellows give 3*s.* 6*d.*, including the dry canteen: this is only the profit on the wet canteen?—The money has to come from somewhere. The tenant does not run that canteen at a loss.

4995. (*President.*) 2,156*l.* represents the gross profits: we want to know the actual net profit you have for your canteen fund after you have deducted all working expenses?—Of course that would require calculation.

4996. This statement is rather misleading: it gives the total gross profits, and I shall be glad if you will add to your statement figures which will show the net profits?—Very well. I made it out on one occasion in days gone by: and I found what we actually gave the Commanding Officer worked out a little under £6 per 100 men. We had the Irish Fusiliers there, a drinking regiment.

4997. If a tenant contracts to give 4*s.* per man per month, in order to get home, it becomes a necessity to push the sale of liquor as much as possible, does it not?—I should take it so.

4998. Otherwise he cannot possibly make a profit?—That is so. But this is done by people who have no interest in swelling the profits in that way: these are actual profits made.

4999. The bar tender has no interest in pushing the sale of liquor?—None whatever; and I say if these profits do not work out at what a civilian will give for the trade then he has some other means of getting the money. Either we are paying too much in the market, and he knows the market and can buy cheaper so as to work the canteen cheaper, or what I have suggested is the case.

5000. Do you suppose that the consumption of beer per day is greater when it is let to a tenant than when it is managed on your system?—I have no experience.

5001. If a tenant pays a rent of 4s. per man per month, he must then push his sales so as to bring about a much greater consumption than you have here?—Undoubtedly; the money must come out of the soldier's pocket.

5002. (*Major-General Eaton.*) That is only supposition?—That is all.

5003. If that is so it can be proved by getting returns from tenant canteens and seeing how they compare with the sales under the regimental system?—In Colchester we tried to get a return of profits, but we could not get it. The tenant would not give it.

5004. (*Colonel Bridge.*) From the price you buy and sell your threepenny ale at, it appears that you must make a percentage of about 80 or 90 as gross profits?—I have never worked it out, but I reckon it is over 60 per cent. The profit on the threepenny ale is very large, because, of course, we give 7½d. for a gallon, and we get 10 per cent. discount off that, and we sell that at 1s.; so that we make a little over 5d. on it. But then we pay a shilling and a fraction for the better class beer, and sell it at 1s. 8d., so that we do not make so large a profit on that.

5005. What do you give for it?—One shilling and a fraction; perhaps 1s. 0½d.

5006. And you sell it at 1s. 8d.?—Yes, 5d. a quart.

5007. (*President.*) You state that you are in favour of the sergeants managing their own mess as the officers do?—I look upon the sergeants as a low grade of officers.

5008. I have not quite understood what you mean when you say that it depends upon the second officer in command?—He is the head of the sergeants' mess. He is sometimes a Lieutenant-Colonel.

5009. And it depends upon his supervision of the sergeants as to how they run their mess?—I would not put it quite in that way. If he is a man who goes well into the books, and spends some little time in the interests of the sergeants, then any man who thought he would like to do an act of roguery would be afraid, because of the close supervision.

5010. But does not that militate against your suggestions that in order to maintain the dignity and self-respect of the sergeants they should be allowed to manage their own mess? Why should the second in command then have anything to do with it?—When I said that, I had in my mind that you were suggesting some form of rules like those as to the rules for canteens. There is an order that the sergeants' mess shall get their beer through the canteen. I think that is a mistake. They simply order it, that is all; it is only a book transaction. If they want a hogshead of ale a letter is written, signed by the officer second in command. "Will you, please, send a hogshead of ale to such a sergeants' mess on such a day." I think that should not be. That is more what I intended—that the sergeants should, as a body, be able to deal where they think fit and not be forced to deal in a particular way.

5011. You are aware that in a large number of sergeants' messes a great deal goes on which we all regret?—No doubt.

The witness withdrew.

Colonel WILLIAM DUNNE, called and examined.

5022. (*President.*) You are Adjutant-General of the Reserve Depot at Woolwich?—I am.

5023. Is there any special point in connection with canteen management upon which you wish to give evidence to the committee?—I have had very little to do with canteens, and for the last three years I have had nothing at all to do with them, I have been employed on war service the whole time, but I think what does come in my line is about the prices that are paid, and the way of purchasing the stores for the canteen. That comes more or less in my business as Deputy Assistant Adjutant-General of the Reserve Depot.

5024. What have you to report upon that point?—At Woolwich we get our supplies for war service, and we buy direct from the shipper or the manufacturer. In canteens, these supplies are not got direct from these big people; they are got from grocers and middlemen, with the result that I think they pay more money

5012. Do you think that if you were to take away the supervision of the second officer in command and make the sergeants absolutely responsible for the way they manage their own affairs that there would be an improvement?—No, because the second in command strengthens the sergeant-major's hands, if the sergeant-major is a good man.

5013. You say control is necessary then?—Really, between ourselves, control is necessary, and in the officers' mess equally, and wherever you go there must be some head; and the bigger "the head" the better the tone, and the better the results; and that is why I am very much in favour of an officer of the rank of Lieutenant-Colonel supervising the sergeants' mess.

5014. But then you are depending upon somebody who is not personally interested, and who does not suffer and is not robbed if the thing is not well conducted?—No, not in that way, but as a result he gets a class of man as sergeant whom he will be able to depend upon when he becomes Colonel of the regiment. One point works in with the other.

5015. (*Major-General Eaton.*) Is it your experience that sergeants' messes are open to 1 o'clock?—Not every mess, no, but I have known sergeants' messes where they went to bed when they thought they would.

5016. The discipline of that regiment must have been very bad?—The supervision was very lax.

5017. It is a matter of discipline, for the orders are that the sergeants' mess shall close at a certain hour?—Yes.

5018. Do you mean to say it was not reported to the Commanding Officer that his sergeants' mess was open to 1 o'clock?—The sergeant-major that was tried by a general court-martial at Colchester had that as one of the charges against him. It was proved he was in the mess at 1 a.m. ordering drinks, and the bar was open.

5019. (*Colonel Lambert.*) You say the proper management of the sergeants' mess depends a great deal upon the effective control of the second in command, but at the same time you mention to the Committee certain irregularities which have come to your knowledge during your time. Can you suggest how any effective supervision by any second in command could prevent the irregularities that you have mentioned?—Yes. Let him go there sometimes on his way from his own mess to his quarters—only once, say, a year and also the adjutant. Of course, in a regiment, the adjutant has a very great deal to do with the life of the regiment, although he has no actual responsibility, and if the adjutant went there occasionally, and asked if the sergeant-major was there, it would do good.

5020. You do not think that that form of supervision at irregular hours would be in any degree unpleasant to the members of the mess?—No, I do not think it would. If I were sitting in a sergeants' mess at a quarter to eleven and a knock came to the door, the door is opened, and the second in command stands at the door and asks for the sergeant-major. I should not think anything of that.

5021. (*Major-General Eaton.*) Is it not reported in every regiment that the sergeants' mess is closed at a certain time?—Undoubtedly. The sergeant on regimental duty goes to the Orderly officer, and reports that the mess is closed at 11 p.m.

than they should. They pay the middlemen's profit, and they do not get as good an article. That is what I think about it.

5025. You think it would be a good thing for the soldiers if we could set up an organisation which would bring the soldier as close to the producer as possible?—Yes, I do, certainly.

5026. Have you thought out any system by which that could be attained?—I have not fully thought out a system. It might be done through my depot—the depot that I am in charge of, or it might perhaps be better done by an independent organisation. Whoever did that would want to be very carefully selected people.

5027. The Canteen and Mess Co-operative Association, I understand, exists for that especial purpose, does it not?—Yes—well I think it has not quite such

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a large purpose as that. They do not embrace all the powers that I would give them.

5028. I understand they are managers of canteens and also purchasers for canteens?—Yes, but only of a certain number of canteens—not every canteen. I should have one central body to purchase for every canteen and every institute.

5029. Then you would compel your regimental officers to use this central organisation, which you suggest should be established?—I would make that a Government business, and let them do the buying.

5030. Do you think that the soldiers and the regimental officers would be content under that arrangement?—I think they would. I think they would get a great deal better stuff than they get now.

5031. Would not you be liable to this complaint—that the goods supplied were either inferior in quality or excessive in price, and that they could do better by going elsewhere?—You are always liable to that, but as a matter of fact you would get better stuff and you would pay less for it. You might get complaints, but they would not be justified, I take it. I take it when you deal with contractors there is always the liability of corruption coming in.

5032. I wish you would tell us something about that corruption; we have had a good deal of evidence before the Committee on that point?—I do not know anything about it myself, except what I have heard about it. When I see stewards of canteens retiring after a few years with plenty of money and buying public-houses, and so on, I think there must be something in it. But no definite case has ever come to my knowledge of any bribery.

5033. Still, one reason why I understand you suggest that the canteens should be compelled to purchase through the central organisation is that unless there is that rule they would be bribed to go elsewhere?—Yes, under the contract system they will get bribed.

5034. That means that the wholesale firm who hopes to supply the canteen will make it worth the while of the canteen manager to disparage the article that comes from the Central Co-operative Association?—That would certainly be tried on at first I am sure.

5035. You are quite satisfied on that point?—Yes, that is my opinion.

5036. On what experience is that opinion based?—I do not know that it is based on any particular experience beyond what I read in the newspapers. There are people writing, whom I take to be some of these very people, and they have a sort of idea that a central system is going to be adopted, and they are fighting very much against it. I think they would not be beyond giving a man or giving several people douceurs to spoil the system.

5037. Then you think a society which resolves to give no commissions whatever will be very much handicapped in competing against the corrupt trader?—I think they would at first, my Lord.

5038. And that the regimental officer will have to keep that consideration always before his mind?—I think so—yes, most decidedly for a while, until the present contract system is broken down. That is, supposing the idea were entertained of having a central system. The chief opposition would be at first and it would gradually die away.

5039. With your knowledge of soldiers and officers you would really be in favour, I understand, of compelling a regimental officer to go to this central or office association?—I should make it into a Government business. I should make it a Government Department for the supply of the soldier just the same as my tobacco is. We send out all the stuff the soldier gets on active service. I do not know that it is very much complained about. It is a great deal better than what they get in the canteens, though, I say it. They have to take the stuff from the Central Department when they go on service abroad.

5040. In your opinion the rations supplied through the War Office are better in quality and cheaper in price than the goods obtained through the canteens?—I have not the slightest doubt of it.

5041. Can you prove that?—I can only prove it by my own experience. Yes; I could prove it by getting a number of samples sent in and getting the report of an expert upon them. And my own experience is

enough to prove that. Part of my duty now is to go round and inspect the supplies in canteens, but for the last three years I have not been able to do it, because all my time has been taken up with war supplies. But before that—prior to three years ago—I did go round to the canteens and see their supplies, and I know by my own experience that those supplies were nothing like as good as ours. That is my own experience; but if you thought it necessary I could get several samples drawn, and get Dr. Thorpe's report upon them. He is the Government analyst, and one of the greatest food experts in England.

5042. You never have adopted that course, however?—I can try it now; because Dr. Thorpe gets samples both from the canteens and from us.

5043. How are those samples selected?—The samples are drawn by the officers who go round. Major King goes round and inspects the canteen.

5044. Not now?—No, an officer has relieved him, Colonel Foster, and he goes round and draws the samples personally, and sends them to the Government analyst. And I send samples up from the Supply Depot, and those are drawn by an officer too. So that Dr. Thorpe knows all about both sides of the question.

5045. (*Major-General Eaton.*) Major King is absolutely opposed to a central organisation?—I have not spoken to Major King on the subject at all.

5046. His evidence was that the supplies from Dickeson and these different firms are as good as they possibly could be?—Well, I do not agree with him.

5047. That is only one opinion against another?—That is only one opinion against another, but Dr. Thorpe can give an opinion. He sees the samples from both places.

5048. What sort of goods do you suggest that Dr. Thorpe should give an opinion upon?—All sorts of things. He is an expert on food of every sort—arrow-root, sugar, bacon, jam, condensed milk—all sorts of things; the list is too long to give you.

5049. Beer too?—Yes. Here is a list of the supplies. It is a very long list, but Dr. Thorpe is an expert on all these things.

5050. How do you propose the Committee of the Central Organisation shall be formed?—I have not had time to go into the thing fully. It would require to be very well chosen, and the buyers on the Committee would require to be specially selected men, and they would want to have some sort of a storehouse in London so as to be able to buy when the markets were cheap and get supplies spread over a certain time.

5051. How do you propose that the money should be found to build these stores in London? Do you propose taxing the soldier out of the profits made in the canteen?—No. I should pay for the building of the stores eventually.

5052. Out of the soldiers' pockets?—Yes, I think that would be only fair.

5053. You do not deduct from the amounts paid for his clothing?—No.

5054. (*Colonel Bridge.*) You would only pay if the State did not come forward with the funds?—Yes, if the State did not come forward with the funds. If the State did it it would be all the better.

5055. (*President.*) Even if the soldier had to pay it out of his pocket he would be a gainer?—Yes.

5056. The advantages would outweigh that consideration?—Yes.

5057. (*Major-General Eaton.*) I do not think the soldier would think so?—Perhaps he would not. He would, eventually, I think; at first he would not. He would be sure to grumble.

5058. (*President.*) Have you had experience of the working of the workmen's co-operative movement?—No, I have had no experience at all.

5059. You are aware that they have a large wholesale agency with purchasers in various parts of the world, purchasing of tea very nearly 1,750,000l., and of sugar 1,500,000l.?—No. I have not gone into that question.

5060. (*Major-General Eaton.*) By starting this central organization you would take everything out of the Commanding Officer's hands. He would have no option whatever except to take any stuff that is sup-

plied?—Is not that taken out of the Commanding Officer's hands now?

5061. Not at all?—It is by district contracts, is it not?

5062. Not always?—I think it is generally so when they make a canteen contract in the district.

5063. In London nearly every barrack has a different tenant?—But I was speaking generally, and the general rule in the district is to make district contracts.

5064. You would make it compulsory for every Commanding Officer, so that he would have no voice in the matter, except to see that the supplies were served out like the clothing from the War Office?—Yes.

5065. That would be your system?—Yes.

5066. What redress would the Commanding Officer or his men have if the stuff was not good?—They would complain about it, and the person whose fault it was would get punished or dismissed.

5067. In other words, he would probably be told that the supplies had been examined by experts, and that, therefore, they must consume them?—Yes, you might be told that, but then that might possibly be the case, because every complaint is not well founded by any means.

5068. You say it might possibly be the case, but it is not content to be the case?—I do not say that for a moment.

5069. That is not always the case when you have clothing returned?—I do not say that for a moment. I say this organisation, if the idea were at all entertained, would have to be a very specially chosen one.

5070. (President.) Would you not be afraid, if you made it compulsory on the regimental officer to get the things for his canteen from the central organisation, that the idea might get into the minds of the regimental officer and the soldier that the central organisation was not well-managed? There might be all sorts of things said, might there not?—It would be possible. This central organisation would need to be particularly well chosen.

5071. If you are so satisfied as you appear to be in your own mind that if this central organisation were established the advantages to the soldiers would be great, do not you think it would be sufficient to allow the regimental officer to have full freedom as to where he would go? Being an independent man, would he not soon find out that it was to the advantage of his soldiers that he should get what they wanted from the central organisation, and would he not go there from motives of self-interest and not by reason of compulsion?—No, I think the central organisation would not work unless it was compulsory, because you would have, on the other hand, people offering advantages.

5072. Do I understand you are afraid of corrupt influence?—Yes, certainly; if you have this thing left optional you will have that. This central organisation will not give any tips and the contractors will.

5073. And you think that the central organisation will, therefore, not be able to hold its own, even although the regimental officer is perfectly aware of the handicap?—If it is left optional, I do not think it will hold its own. I think it must be compulsory, otherwise the idea falls to the ground.

The witness withdrew.

Mr. LOUIS DE LUZE SIMONDS and Capt. W. BATCHELOR, called and examined.

5087. (President.) I understand that you gentlemen come here at your own suggestion to give evidence to this Committee?—(Mr. de Luze Simonds.) Yes.

5088. And may I ask on what point you wish to submit evidence to the Committee?—Questions have been raised as to the beer supplies, and we thought with our experience in the matter we might give some information useful to the Committee. I may say we have no definite statement to lay before you. We thought we should be in a better position to assist the Committee if we answered any questions.

5089. Having volunteered to come here and give evidence, I suppose there is some particular point on which you wish to give evidence?—Simply on the supply of beer to the canteens; that is all. We thought

5074. If the regimental officer is aware of the character of the handicap do not you think he might be relied upon to throw trade in the hands of the central organisation?—I do not know. He can be relied upon to do his best, but he cannot be relied upon to have sufficient knowledge; he will not know the good stuff from the bad.

5075. But the contractor does not approach the regimental officer?—Certainly not. But the officer is influenced by what people around him say. He goes and talks to the canteen steward or goodness knows who, and listens to him, and thinks that everything he is saying is absolutely true. The officer himself is beyond all reproach, but he may not know much.

5076. You mean he has no expert knowledge of his own, and is really at the mercy of the canteen manager?—Yes.

5077. And you think the canteen manager might be bribed by the competitor?—Yes. I should think it very likely.

5078. (Colonel Lambert.) Do you not anticipate bitter opposition to any centralised form of canteen supply which would ensure the whole profits being credited to the soldier?—Yes.

5079. What form do you think this opposition would take?—I see the form it is taking now. It is taking the form of writing to the newspapers even against the very idea of it.

5080. (Colonel Bridge.) Is your idea that an immense quantity of this newspaper opposition is fostered by canteen stewards and others who see their chances of illicit gain slipping away?—Yes. I do not think anybody else would take the trouble to do it.

5081. You think it must be somebody who has an interest in doing it?—No doubt.

5082. (Colonel Lambert.) As unscrupulous competition would show greater profits, with consequent loss of quality, under the tenant system than under a form of central supply, how could it be met?—For instance, I may be offered by the contractor 4s. for the benefit of my men, while perhaps under the system of central supply I am only getting 2s. 6d.; would not that give rise to a difficulty?—I take it that is simply a question of the profit you put upon your goods. The central committee will be able, most decidedly, to buy things cheaper than they can be got through a tenant, and if you want to make more profit all you have to do is to put more profit on the goods. That is the only way of doing it. If you buy your goods cheaply, and put only a small profit on them, then you may not get as much as the contractor would give you.

5083. An unscrupulous competitor can sell things and return larger profits to the soldier than a man who is working entirely in their interests?—If you want to save the soldier's pocket in one way and benefit it in another, put a little higher price on the things. It is a mere question of how much profit you charge on your supply.

5084. (Colonel Bridge.) You have been concerned in the purchase of practically all the war stores, have you not, which have been sent out from England?—Yes.

5085. They must have amounted to very many millions?—Yes, to millions and millions.

5086. I suppose that Major King's experience as a buyer is not one tithe of what you have had in the last few years?—Major King has no experience whatever as a buyer.

we could give you some information about it, either in detail or as to the principles of working the canteens.

5090. Is not there some point upon which you think that the management of the army canteens might be reformed and improved?—Is it our place to say so.

5091. Certainly. You come here voluntary to give us assistance in our labours. So I think really you would meet the convenience of the Committee best by telling us what is on your mind?—We have absolutely nothing on our mind as to any point that we want reformed. But there is a question raised as to the merits or demerits of the regimental, tenant, or canteen and mess co-operative systems. (Captain Batchelor.) There is an idea, rightly or wrongly, that brewers should not be tenants of the wet bars. We have been tenants

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of a good many, but there is an idea in the trade that those in authority think that brewers, when they are tenants of a wet canteen, push the sale of beer. We wish to say of course that that is not so—that we do not push the sale of beer. We merely take over the tenancy of the canteens. We submit to a certain premium according to the particular regiment or the situation of the canteen. That is one point. I think anyhow that each canteen should be judged upon its merits—not one premium given for the whole brigade or district.

5092. What is the present practice, so far as you are concerned?—At Aldershot they have just made two brigade contracts, and accepted certain terms for each of those brigade contracts.

5093. Have you got that contract?—No; we supply the beer through a grocer. They gave the contract of one brigade to a grocer—Lipton.

5094. And was he obliged to go to you?—In this second brigade he was. Our beer was stipulated for, I believe.

5095. And is he no longer?—The contract is still running.

5096. The brewer is selected by the General Officer Commanding the district?—In that instance he was, I believe.

5097. And he orders the grocer to whom he lets his dry canteen to go to you for the beer required for the wet canteen?—That was so in the case of that one brigade. Then, in the other brigade, we applied for a tender form, and then we were told that the brewer could not have it; that it must be given to a grocer.

5098. Then you have not got a direct contract with the Army?—Oh yes, any number.

5099. Were you are approached directly by the regimental officer, or the General Officer Commanding?—Yes.

5100. So you have got canteens which you are supplying with beer by arrangement with the grocer tenant, and canteens that you are supplying by direct arrangement with the regimental authorities?—Quite so.

5101. And which system do you prefer?—Well, I do not know that we have any preference. (Mr. Simonds.) If we had our choice we should say that we prefer dealing direct with the regiment.

5102. When you deal direct with the regiment, what sort of rent do you pay?—(Captain Batchelor.) No rent at all.

5103. You call it a premium?—Yes.

5104. What premium do you pay?—That is just the point. We have, we think, the largest experience—we are the longest in the trade anyhow—and we give the regiment a premium according to what we know of the regiment or the situation of the canteen. One canteen sometimes is worth a great deal more than another canteen.

5105. The price you pay for the privilege of serving beer through the canteens varies with circumstances?—Yes. We have paid as much as between 25l. and 26l. per hundred men per month for the wet canteen only.

5106. That is over 4s. a man per month?—Oh, more than that, it is over 5s. 6d. really. That is a record. But our contract then said that we would pay 10l. per month per hundred rank and file, plus 50 per cent. of the net profits. That was the wording of the contract.

5107. Now take that contract at 5s. per man per month. Do I understand you to resent the statement that it is to your interest if you accept such a contract as that to push the sale of liquor?—Yes.

5108. How do you hope to get home unless you do?—It is impossible to push the sale. Supposing this is the canteen. You take over the canteen. It is opened at 12 o'clock noon, as a rule, at Aldershot. I am the Aldershot manager as well as the military representative of the firm, but I run Aldershot district myself. The canteen is opened from 12 to a quarter to 1; from half past 1 to half past 2, closed all the afternoon from half past 2 to half past 4, winter and summer, and then opened from half past 4 to half past 9.

5109. I do not suppose you, as a business man, go into this business from the standpoint of philanthropy. You go in to make profit?—Certainly.

5110. And therefore the larger profit, you make the better it is for you?—Certainly.

5111. And you cannot hope to make a large profit unless you have a big turnover?—(Mr. Simonds.) There is a legitimate turnover and a supposed illegitimate turnover.

5112. Therefore it is to your interest that there should be a large turnover?—(Captain Batchelor.) Yes.

5113. Therefore does not that meet the case with which I began my questions?—No, because if, instead of us, a grocer as a tenant serves the beer under the exact conditions that we do, he opens the canteens at the same time.

5114. He makes the profit instead of you?—My point is this. It is suggested that the brewer pushes the sale of beer more than the grocer does. He opens the canteens during just the same hours as we do. He sells beer in exactly the same way. He has the same number of men behind the bar, and there is no more inducement held out by the brewer than there is by the grocer.

5115. In the case you are assuming the profits on the sale of the beer goes to the grocer?—Yes.

5116. He buys your beer at 24s. per barrel?—Yes, that is the Aldershot price.

5117. And sells it at 36s.?—Yes.

5118. So that all the profits go to him?—After he has paid the premium.

5119. Therefore in that case it is his interest to have as large a sale of beer as possible?—Just as much as it is the brewer's.

5120. That is your point?—My point is that the brewer does not push the sale of liquor any more than the grocer does.

5121. It is just as much to the interest of the grocer as of the brewer to push the sale of beer?—Yes. You can prove that, as I believe, by any statistics you like to call for. Take any particular canteen and find out how much beer was sold when a brewer was tenant of it and find out how much beer was sold when a grocer was tenant of it.

5122. In some contracts which have been submitted to this Committee made between the Commanding Officer and the grocer, the grocer is bound to hand over to the regimental officer all the surplus profits that he may receive on the sale of beer after he has paid what you call the premium?—Yes.

5123. I suppose in that case it would not be to his interest to push the sale of beer so much as it would be to his interest if he put all the profits into his own pocket?—I should think the question then comes in, what is he allowed to charge for expenses before he arrives at his profit.

5124. You do not think it is a workable arrangement?—I do not think so.

5125. As a business man you would regard it as a bad arrangement to make?—I would. I do not know what grocer you are referring to.

5126. I am not talking of any man in particular?—I do not want to know the name of course, but I should think there is some motive in that.

5127. But, taking a grocer as a representative of a class, it would be to his interest to get round any precaution of the character I have suggested?—I should think so, yes. It seems to me of course that, having paid a certain premium before he arrives at his profit, he naturally has to deduct this and that for expenses in order to arrive at the net profit which he promises to hand over to the regiment. It seems to me the whole question turns upon what does he charge as expenses in arriving at that profit.

5128. Whatever precaution may be taken you say that if a grocer has a right to retail the beer it will be just as much to his interest to push the sale of liquor as it would be if a brewer had the contract?—That is my opinion and I believe you can back that up by any statistics you like to call for. (Mr. Simonds.) I do not think there is any opportunity for a man to push the trade more than is actually demanded by the men. The time is short and you cannot encourage the men drinking.

5129. We are simply arguing theoretically as to what would be the interest, and we have agreed that it is to the interest of whoever has the contract that

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the consumption of beer should be as large as possible ; because that is where the profits come from?—You cannot deny that fact.

5130. In the case of that contract where you gave 5s. per man per month, or 25l. per 100, did you find that you realised a profit?—(Captain Batchelor.) It was 10l. per month per 100 men, without reference to what the takings were, plus 50 per cent. of the net profits. Those two together made up the 25l.

5131. You had a minimum rent of 10l. per 100, and then one half of the surplus profits brought the total up to 25l. per 100 men as the sum which you gave to the Commanding Officer?—That is so. That is the highest premium we have ever paid for a wet canteen. But before these brigade contracts were made, I had seven or eight canteens on this self-same contract, 10l. per month per 100, plus 50 per cent. of net profits.

5132. You are managing some Army canteens now?—Yes.

5133. How many canteens have you under your management?—I do not know. I should not like to say.

5134. But a large number?—A good large number. (Mr. Simonds.) We have not so many now as we had 12 months ago. (Captain Batchelor.) We hope to get more. There are any number of militia, and no doubt we shall secure a good many of these.

5135. If it is not a trade secret, I should like to ask you how you check your bar attendant?—We take stock every day. We have what we call a cash and stocktaker. When starting a canteen there is so much beer put into the canteen to start it, and in the morning before the canteen opens at 12 o'clock the stocktaker goes into that canteen and takes whatever money the manager hands him and signs in a book for it. He then goes down into the cellar, and he takes stock of the beer that is remaining in the cellar. He then comes home to the office and works out the stock sheet. We expect our managers to hand in an overdraw, as we call it, of 5 per cent.; it is what they call in the Service an "unascertained profit."

5136. You assess the unascertained profit, or as you call it, the overdraw, at 5 per cent. upon the sales?—On the selling price. But supposing a canteen is on the regimental system it is expected to make from 10 per cent. to 15 per cent. unascertained.

5137. You think that is putting too high a figure?—Yes, it cannot be done.

5138. Does that encourage the man who serves out the beer to dishonest practices?—In order to keep his job he tries to make this 10 per cent. to 15 per cent.

5139. But you, as an expert who looks very close into this business, are, you say, satisfied with 5 per cent.?—We are satisfied with 5 per cent.

5140. I suppose you are fully aware of all the different methods that are employed?—I think so.

5141. (Major-General Eaton.) Does your 5 per cent. include the waste?—We replace waste in kind; or, supposing they prefer to have an allowance in lieu of the waste, we allow them 3 per cent. in lieu of it.

5142. (President.) Is there not one source of profit which you may make: does it not often happen that a hogshead after it settles does not give a full 54 gallons?—That cannot happen with us, because you see we have a local branch at Aldershot, and every cask before it leaves the store is filled up with a force pump.

5143. Then that never happens with you?—It is impossible.

5144. Will you tell us what you consider to be the percentage of froth on the top of a pint of beer?—(Mr. Simonds.) That depends on who draws it; it differs, of course.

5145. But it comes to a very considerable amount, does it not?—(Captain Batchelor.) That goes into the unascertained profits, and largely accounts for them.

5146. What is your experience, as practical brewers, doing a very large business, as to the percentage?—I should think it is about 5 per cent. if the consumer is done justice by. If the issuer has no inducement to do otherwise he can as a natural consequence make a minimum of 5 per cent. overdraw.

5147. Have you ever estimated what is the depth of froth there will be on an average on a pint of beer;

would it be a quarter of an inch?—I suppose it would be about one twentieth of 4 inches, and that is very nearly a quarter of an inch.

5148. Have you not gone into this scientifically as an expert business man to find out what it is?—Yes, we have.

5149. Will you kindly give us the results of your experiments?—The result of our experience is that we insist on having a 5 per cent. overdraw. I put a man sometimes into a canteen, and he returns me less than a 5 per cent. overdraw. The system we have is this: the stocktaker puts on my desk the figures of any canteen which has handed in less than 5 per cent. overdraw according to the stock he has taken that morning. If a canteen has handed in a 5 per cent. overdraw he does not call my attention to it; but directly it is under 5 per cent. I find it on my desk.

5150. How did you arrive at that figure of 5 per cent.?—From our experience in the trade.

5151. Is it a happy-go-lucky estimate?—(Captain Batchelor.) No. It is based on experience of what actually occurs. It is impossible to fill a pint flush to the top, unless there is a tremendous amount of waste; and if you do not fill it full enough the soldier will look at it, blow the froth off, and call your attention to it. I have had a canteen president say to me: "Your hogsheads do not hold 54 gallons"; and I have said to this particular gentleman, "That is not so; I have hundreds of hogsheads in my cellar, and I should like you to come and take any hogshead you like out of the hundreds; to put your hand on any one; I will draw off the beer and empty it for you; then we will fill it with water and we will draw the water out of it, and we will see how many gallons you can make in drawing the beer." Our experience was it came out about 6 per cent. overdraw in drawing the beer.

5152. That you had more than 54 gallons?—Yes, 57 or so, the excess being mainly due to measuring in pots.

5153. I understand Mr. Simonds to say it is impossible to fill the mug?—Yes.

5154. Now, what I ask is: How have you arrived at the computations that you ought to add 5 per cent.?—I have just told you, by drawing off a hogshead to see how much you could draw out of it, filling pots.

5155. Suppose you hand over to your canteen manager enough beer to fill 100 glasses, your experience is that he will sell 105 glasses?—Yes, that is so.

5156. How have you arrived at that?—By the actual test I have told you of—by seeing how much beer you can draw out of the hogshead.

5157. You made a statement that in this particular experiment you found you had 57 gallons instead of 54 in a hogshead, and Mr. Simonds point is, that when you pour those 57 gallons of beer into pint mugs, you are selling over the counter a great deal more than that quantity?—About 58½ or 59. We do not wish to infer that a hogshead contains 57 gallons, but owing to the beer being drawn off in pots it will yield 57 gallons or more.

5158. I want to know how you arrived at the conclusion that 5 per cent. was a sufficient amount to debit the canteen management with?—Because we drew out 5 per cent. to 6 per cent. more than 54 gallons.

5159. (Colonel Lambert.) May I ask what measures you drew this off into?—Different ones; pints, quarts, and half-gallons.

5160. If you drew 54 gallons of beer into 56 gallon measures, then I suppose if you drew the same amount of beer off into vessels of one-eighth that size, you would very much increase your overdraw, would not you?—Yes. I cannot tell you how many gallons we drew, and how many half-gallons, pints, and quarts to make up the 57 gallons.

5161. But unless you know the size of the measures into which you drew the beer, is it a good criterion?—You must average it.

5162. You do not sell beer by the gallon in the canteen?—You draw off any number of half-gallons.

5163. In many canteens?—In every canteen.

5164. Three men come in and join together, and order a half-gallon?—Yes.

5165. I thought that practice had fallen into desuetude?—No.

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5166. (*President.*) You say you drew the beer out of your hog-heads into half-gallon vessels, quarts, and pints?—Yes. Of course you must average these things; and we took the average as 5 per cent. overdraw. If two men drew it out unknown to each other, they would probably arrive at a somewhat different result. As Mr. Simonds says, it depends on who draws it; they would not both arrive at the same exact result.

5167. What waste beer do you get back from your canteens?—We replace it in kind up to 3 per cent.

5168. (*Captain Boehmer.*) The deepest pint pot which is made for all ordinary trade purposes is 4 inches; now picturing in your mind what a quarter of an inch is of a pint pot, do you think, as a rule, the pint pots are filled within a quarter of an inch. If you work that out, you will find it is over 6 per cent.?—Yes; it is one-sixteenth of the whole, of course.

5169. Is not there a custom of men having their pots refilled?—Any number of times.

5170. Now, if you have not a clean pot, if it has not been thoroughly dried, does not there come in an unaccountable profit?—Not, I think, anything appreciable.

5171. Suppose you have another quarter of an inch at the bottom; then you have another 6 per cent.?—Yes, but the soldier wants his pot of beer, and I do not think he leaves so much in his pot. There is no doubt, however, that if there is a pressure, on a field day for instance, and the men are rushing into the canteen, the overdraw is bigger then.

5172. When the overdraw is bigger, who gets it?—If you have an absolutely honest manager, of course the contractor ought to get it; but whether he gets it or not, is another question. Probably the manager gets some of it.

5173. (*Major-General Eaton.*) Why should the contractor get it?—The manager ought to hand in all the money he takes. If I am the manager behind the bar every halfpenny I take over the bar ought to be given by me to the contractor for the time being, should it not? None of the money the manager takes over belongs to him. Every single halfpenny he takes ought to be handed over to his master, but whether it is or not, is another matter. I have been six years at Aldershot, and I very much doubt it.

5174. (*Captain Boehmer.*) You think the unascertained profit is bigger than 5 per cent.?—I do. But when you employ a man you must name the minimum of overdraw that you expect him to hand in. Directly I have a manager, as I said before, who is short of the 5 per cent., when driving round my business the next morning I go to this fellow, I say "Your cash was not satisfactory." He then commences to explain that there is something extraordinary about that particular canteen as to why it cannot be so. He commences to say to me "I cannot hand you 5 per cent. overdraw." I say "If you cannot hand 5 per cent. overdraw, we know from experience you ought to hand it in. If you do not hand it in you will have to go." We insist on having a minimum of 5 per cent. If you were to go into the canteen and run it for 24 hours with the extraordinary pressure of a field day to come in, I believe myself that really 5 per cent. is too low an average to get. But that is as much as we insist on.

5175. (*Colonel Bridge.*) Do you know what they give in civil life—what they exact in the case of a public house?—I do not know.

5176. (*President.*) You have some tied public-houses of your own, have you not?—(*Mr. Simonds.*) In one sense tied—that is, they must get their beer from us, but they are quite free as to their internal management. We have nothing to do with the selling of the house.

(*Captain Batchelor.*) Personally I only run the military trade; I have no knowledge of public-houses.

5177. How do you pay your canteen managers?—4s. a day to the waiter, and 5s. a day to the manager, and 10s. a day to managers of double canteens.

5178. And do you give them anything additional on the turnover?—No, nothing.

5179. That is the whole sum you give them?—Yes, we have them on one day's notice, and one day's wages in lieu of notice. Suppose a fellow, as happens sometimes, takes too much beer. Then he is discharged with one day's wages in lieu of notice. We turn him out there and then.

5180. It has never come to your knowledge that any of your agents have given a commission or present to the canteen manager?—Never.

5181. You never heard of such a thing?—It could not be done without my knowledge, because all the cash passes through me. I am now speaking of Aldershot, but I take it there is the same system elsewhere. (*Mr. Simonds.*) Yes.

5182. Have you heard of such things being done by other people?—Are you speaking now of the manager of a tenant canteen.

5183. The manager of a regimental canteen?—Of course there is a tradition to that effect—that it is done, and so on.

5184. If you do not give a present to the manager at some of the regimental canteens is it easy to get the trade?—(*Captain Batchelor.*) I devote the whole of my energies to getting close enough to the officers who are in charge of the issue. If you do that then you can ignore the manager entirely.

5185. Is that your experience?—Yes.

5186. That the regimental officer does not take the advice of his canteen manager?—I do not know that they never do. But I do not think I have had to complain of one manager, since I have been at Aldershot, to his Colonel.

5187. (*Major-General Eaton.*) Have you got travelling agents who go about from camp to camp?—To solicit orders, you mean.

5188. Yes?—I go myself.

5189. All over England?—Pretty well. I do not know any place I have not been to, where there are troops.

5190. Have you any other agent going about to whom you give a percentage on the trade they get?—(*Mr. Simonds.*) No we have managers in large towns.

5191. Do you give them a percentage on the trade they get for you?—No.

5192. Only a fixed salary?—They get a fixed salary.

5193. And it does not matter to them the least bit whether they get more?—Very little.

5194. How is that very little made up; do you pay them?—Our managers in districts have all fixed salaries. At the end of the year when the total trade is made out, if the expenses are, we think, low, or the trade good, we give them a cheque, but there is no fixed bonus.

5195. It is the agents of the firm that generally bribe, and they get a percentage on the business they bring to their firm, so that the firm might not know anything about the actual bribery. I do not wish you to give up any trade secrets, but you have no paid agents travelling the country?—Not like that. (*Capt. Batchelor.*) I am the head military representative of the firm, and I do six-sevenths of the interviewing, I should think, and I take it that no understrapper under me would think himself empowered to give anything, and I have been with the firm now 7½ years.

5196. (*Captain Boehmer.*) Do you brew beer specially for military canteens, or do you brew exactly the same beer that is sold at public houses, or is yours a special military beer?—(*Mr. Simonds.*) I will go into that question. When the duty was increased on beer we, like most brewers, had to reduce the gravities. But all military beers are sold on specified gravities; therefore they have to be brewed separately.

5197. Supposing it is what they call four ale, was the beer supplied before the duty was imposed exactly the same class of beer?—No, not quite.

5198. Better or worse?—It was lower gravity originally.

5199. Therefore it was a cheaper beer?—It was lower gravity, because the public-house beer formerly was high, and then it gradually got down, as expenses increased and the duty increased, to a lower gravity than the canteen beer is now.

5200. I rather want to leave gravity out of consideration. Before this increase of duty you supplied a beer sold at 4d. in the military canteens which was not so good as beer sold at 4d. in the public-houses?—The 4d. beer sold in the canteens was weaker than the public-house beer. You are speaking of the beer sold in canteens?

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5201. I want to go back to the time before the duty, because that is a side issue, and it is such a short time since the duty was put on. I gather that you admit that you sold a poorer quality of beer to be sold at 4d. in the military canteens than you sold in the public-houses at 4d. ?—No; the beer which is sold at 3d. in the canteens was weaker, but the beer that is sold at 4d. is stronger.

5202. And may I ask the price that you get on contract for the beer that was sold at 4d. ?—(Captain Batchelor.) 31s. (Mr. Simonds.) Before the war tax it was 30s.; now 31s.

5203. (Colonel Bridge.) Do you believe a thoroughly satisfactory beer can be brewed and sold in canteens at 3d. ?—I do; and on that question I think it would be a mistake to make a stronger beer for canteens. Men do not want a strong beer; they come in thirsty off duty, and they want a long drink. (Captain Batchelor.) Eight officers out of nine ask me if I cannot put in a lighter beer.

5204. That does not necessarily mean a cheaper beer does it? A lighter beer may be a very expensive beer?—And then I say, "We cannot put in a lighter beer, because it must be 10·45 gravity." (Mr. Simonds.) I should like to make a remark on that question. The gravities—that is the strength—are all guaranteed. If that beer is taken from a canteen and a sample of it sent to Somerset House, Somerset House never reports it the same gravity as brewed. The result is that, to avoid complaints and disagreeableness and accusations that the beer is below gravity, we have to brew them all 2½ to 3 degrees above the guaranteed gravity. And the result is this. Take the 3d. beer which is supposed to be 10·45 gravity. We have to brew that nearly 10·48. I say 10·48 is a stronger beer than is necessary for ordinary consumption. (Captain Batchelor.) We had a report from Netley once, if I might mention it, that our beer was first-class, bright, all that kind of thing, but not of the proper strength, and we objected to this. They wrote back saying it was about 30 degrees below the proper strength; which, when I referred it to Reading our practical brewer said it was absurd. I then went and saw the General about it. This is some months ago, and they referred it back to Netley, and they wrote and said that they had not made the computations right, and the beer was above the minimum gravity laid down.

5205. Do you have any competition from Irish brewers?—(Mr. Simonds.) Not in this country. (Captain Batchelor.) Yes, we have Macardle. I have met Macardle several times in competition with me to get the trade of regiments coming from Ireland and going to Ireland. Once a particular regiment at Sheffield were coming to Aldershot; Macardle was supplying them at Sheffield and had arranged, so I was told to continue the supply at Aldershot. I then saw the Commanding Officer and the second in command, and quoted our terms at Aldershot, and, in a business way, pushed in that it was impossible for Macardle to approach our terms at Aldershot and so on; and eventually I got the trade when they came to Aldershot.

5206. (President.) Do you have any trade in Ireland?—Yes, not a great deal now, because it is mostly contracts now.

5207. I suppose this Irish brewer very much objects to that?—He does not object to come over here.

5208. He does compete against you in England?—Certainly. Then we asked Guinness at one time to supply us with some single stout for an Irish regiment that came to Aldershot; and Guinness wrote and said (I have got the original letter) "We do not supply 'single stout for the market in question.'"

5209. (Colonel Bridge.) Do Irish brewers buy hops in this country largely?—(Mr. Simonds.) They must. No hops are grown in Ireland; I believe, they buy English hops or American hops.

5210. Do they buy malt and barley in this country?—Large quantities of barley and malt.

5211. Is English barley superior for malting purposes to Irish barley?—Yes. Only in one year in 20 can Irish barley touch English. It depends upon the harvests. If, by chance, they have a dry harvest in Ireland and we have a wet harvest here, the Irish barley may be better.

5212. Therefore you do not think if the Irish brewers had the canteen trade entirely in Ireland to themselves it would materially increase the land under plough in Ireland?—I do not think so in the least, I was talking some time ago to a large maltster whom I know does a large business in Ireland. I asked the question why they did not grow more barley. He came to the conclusion that the seasons were too uncertain, and that it paid the farmers better to go in for other produce. (Captain Batchelor.) They could sell five times as much now if they would only grow it over there, without reference to getting all the Irish trade.

5213. For instance, Guinness buys very largely in England?—Yes. But that particular firm Macardle competes—I could name others, but I do not want to name any firm—with us as much as they can. They try to get every bit of trade. It is not their fault if they do not get it over here and regiments coming here and going to Ireland.

5214. (Major-General Eaton.) Do you think there is greater profit made over the sale of beer in canteens than there is in an ordinary public-house?—(Mr. Simonds.) No; the same as the public-house. We charge a high price because our rent is low. They pay us 36s. for a barrel of beer which they sell at 4d., the same profit as the canteen makes buying at 24s. and selling at 3d.

5215. (Colonel Lambert.) You took once a contract to supply a regiment or unit. You paid 10l., and then you divided half the profits, which came to 30l., with the Commanding Officer—that makes 25l. ?—We paid them between 25l. and 26l. per month per hundred men.

5216. Made up in this way—10l. that you contracted to pay them, and the other was the surplus profits, of which you got half and they got half?—Yes, that was at a particular time; it was in March 1900.

5217. I do not know whether you would object to explain to the Committee—it would be very interesting—how that enormous profit was made?—It bears upon my point that each canteen should be considered on its own merits—the geographical position of the canteens and so on should be considered. This is a canteen where a number of outsiders passing to and fro went in for their beer on whom we had not to pay a premium because they were not quartered in the barracks. Consequently, the regiment concerned that were quartered in the barracks got a profit on this outside trade, whereas if there had been (and this is my real point) a contract for all canteens at the one price without reference to this, that, or the other one, they would have got none of that profit.

5218. My question was how the 30l. per hundred men per month was made, and you say a great deal of it was made by outside trade which came into the barracks?—Yes, from men quartered in other barracks.

5219. Therefore we may fairly consider it was not legitimately made in the barracks from the men themselves?—Quite so. I can tell you how we make up these balance sheets if you like.

5220. Were you limited as to the hours in which you sold beer in that particular instance?—Yes, the hours I told you just now, regulation hours.

5221. You stated in the earlier part of your evidence that you took back the waste in bulk?—(Captain Batchelor.) Yes.

5222. And you do not give a percentage?—If the regiment prefers it we give them 3 per cent. in lieu of waste.

5223. As a matter of practice you take back the liquor in bulk?—Yes.

5224. The less waste that is returned to you the better; as business men you are pleased?—I do not know. (Mr. Simonds.) We do not care for it. (Captain Batchelor.) In quoting the terms we have to see the waste is replaced in kind, or an allowance of 3 per cent. given in lieu, as the regiment prefers. They will tell you which of these alternatives they will take.

5225. But as Mr. Simonds says the less waste there is the better for you. You do not want an excessive waste?—(Mr. Simonds.) No.

5226. Have you ever been approached by a canteen steward for a commission on the ground that a great many things were in his power; among them the reduction of the waste?—I have had hints about it.

Mr. L. de L.
Simonds
and
Capt. W.
Batchelor.

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5227. Frequently?—No, not frequently. I have had them.

5228. Do you supply many sergeants' messes with beer?—Yes, a good many.

5229. Do any individuals connected with them ever trouble you with requests for commission?—They have done—yes.

5230. Frequently?—No, I will not use the word "frequently"; but it is done.

5231. (*President.*) I understand the real object you have in coming to give evidence before the Committee was to satisfy us that it was as much to the interest of a grocer tenant to push the sale of beer as it could be for you?—(*Captain Batchelor.*) That is it. Our idea was that the brewer should not be barred, if I may use the word, from being a tenant on the alleged ground that he pushes the sale of beer.

5232. (*Major-General Eaton.*) And also you want to advocate on behalf of the brewer that he should supply the beer direct without going to the grocer?—Yes, that the grocer should not be empowered to say he will have Jones' or Brown's beer. Supposing he gets the contract, he should not be allowed to say, "This regiment will take Jones' beer"; but it should be in the hands of some military authority—the regiment.

5233. (*Colonel Bridge.*) You do not wish to be a sub-contractor to another man?—That is so.

5234. You would sooner deal direct with the regiment?—(*Mr. Simonds.*) We ought to be able to give a somewhat higher premium; we ought to be able to look better after the beer, so it is for the benefit of the men. Then we think there should be no large contracts given. They simply cut down the price in the competition that is entered into, and the quality suffers after.

The witness withdrew.

Captain T. M. RILEY, R.B., called and examined.

Capt.
T. M. Riley,
R.B.

5240. (*President.*) Where are you quartered?—I am Quartermaster of the Rifle Depôt at Gosport.

5241. You have had a long experience, stretching now over many years, of canteens?—35 years.

5242. You have had some experience of canteens all that time?—A good deal.

5243. Have they improved since you joined the Army?—Very much.

5244. In what way?—When I first joined they were in the hands of sutlers; that is, tenants. The regimental system has been inaugurated in my time.

5245. But now there is a tendency to go back to the contractor, is not there?—I have heard it. I have read it in the paper.

5246. It has not come under your experience?—We have never had a tenant.

5247. You prefer the regimental system to the tenant, do you?—Yes, very much.

5248. Because you think that it secures greater advantages for the soldier?—It is better for the soldier.

5249. I should like to have your view as to why it should be?—The man is better cared for under the present system than he would if it were under the tenant system. Because now he is cared for by his own people, and cared for in a way that the chances are he would not be cared for under the tenant system. It would be the business of the tenant to look after his own business regardless of the soldier. It is the business of the present system to look after the soldier regardless of the contractor. That is the great difference, to my mind, between the two systems.

5250. The difference between the two systems, as I understand from you, is this: That in the regimental system it is managed in the interest of the soldier, and in the tenant system it is managed in the interest of the tenant?—Yes, practically.

5251. But you have had no experience of the tenant system since you have joined the Army?—No; I only speak from my own experience as an observant man, that is all.

5252. (*Colonel Lambert.*) Have you been there some years?—I have been 20 years a quartermaster altogether.

5253. Would you be able to give this Committee any information about the working of sergeants' messes

wards. You take the Home District. That is given to one brewer, to the dissatisfaction of half the unit. They have no voice in the matter, and I daresay there is little saved in the cost. (*Captain Batchelor.*) If you take Scotch regiments, eight out of nine Scotch regiments prefer Scotch beer. If they were ordered to take our beer to-morrow there would be a row straight away. And we cannot supply them to any satisfaction, because they do not want the beer. I do not get the Scotch regiments, certainly not one in six I go for. I always have a shot at them, but I rarely get one. They have an idea, rightly or wrongly, that Scotch beer is the best, and they want Scotch beer. Other regiments want Simonds' beer; other regiments want Brown's or somebody else's; and to order regiments to have a certain beer without reference to them in our experience starts friction at once.

5235. (*Major-General Eaton.*) Did you tender the other day for the Home District?—(*Mr. Simonds.*) No, we did not know anything about it till it was over.

5236. Was it not published?—It was advertised, but we did not see the advertisement. We did not know it at the time.

5237. You would have tendered?—(*Captain Batchelor.*) Certainly; we cannot hold aloof.

5238. (*President.*) If you were the brewer you would not mind?—(*Mr. Simonds.*) That does not alter the principle. We are obliged to tender, of course, if the contract is put up.

5239. If those are the conditions of the contract you would seek to get the contract, but you are in favour of each regimental officer having freedom to get his beer where he pleases?—(*Captain Batchelor.*) You will never beat that, in my opinion—for each regiment to please itself.

there?—Sergeants' messes are worked according to the regulations; that is, the supplies are drawn from the canteen. It is immediately under the supervision of the Adjutant.

5254. Is it thoroughly satisfactory?—Perfectly satisfactory, yes.

5255. Have you known, in the course of your Army career, of great irregularities in sergeants' messes having occurred?—I have known of them in many regiments; not in my own.

5256. Have you ever thought out any system of putting such irregularities out of the bounds of possibility?—I do not think it would be possible for any man to so arrange a sergeants' mess, or any other institution, that irregularities could not occur.

5257. I speak more particularly of irregularities with the caterers?—You mean with regard to his money matters?

5278. Yes?—It would be very difficult; because the amount of money that really passes through the caterer's hands is so very small. In an average regiment the amount of money that passes through the caterer's hands would not be more than 50*l.* a month, and the money is collected every day by the treasurer from the caterer, so that there is not very much chance, if the present regulations are observed, of a man making away with more than one day's takings.

5259. Perhaps not in that way, but the ill-regulated sale of intoxicants in the sergeants' mess, unless it is carefully looked after, is notorious?—That has not been my experience.

5260. You have never heard of beer being sold by a caterer after hours?—Not in my regiment. I know that such things have happened, but the regulations are sufficient to prevent that.

5261. It is more a question of discipline?—That is a question of discipline entirely.

5262. You have no suggestion, then, that you could make to remove the possibility of temptation, we will say, from the caterer?—I do not really see how you possibly could. You must have a man, and you must trust him.

5263. What is your experience of sergeants' messes?—I was a sergeant-major. I have been through all the ranks, so that I have a fairly good experience in the sergeants' mess.

5264. Would you see any objection to running a sergeants' mess similarly to an officers' mess, and having no cash pass?—That I believe would be a very good thing indeed. I mean to say that, although that is not admitted by the regulations, that is frequently done. I have known that done where sergeants pay their mess bills on a certain day; they do not pay cash. That is frequently done in the Service, although it is not in the regulations.

5265. Unless carried on under proper supervision that is open to all sorts of objections?—Yes; it has been done, it is done very largely in the Service to-day. I take it a man pays for his drink at the end of the week.

5266. Is not that bad?—There is nothing particularly bad about it, if you will excuse my saying it.

5267. It is an account which is kept under proper control?—You see the accounts are examined on the first of every month. The account is examined weekly, supervised by the second in command and shown to the Commanding Officer. The moneys are paid then. I am not referring to my regiment now.

5268. You are speaking impersonally?—Generally.

5269. But if it is kept in that way, then you get an account between the caterer and an individual?—There must always be that. The caterer must always be responsible.

5270. Yes, but you do get an account between the caterer and an individual. You say it is frequently done in many messes?—Yes.

5271. If so, you get an unsupervised account between the caterer and the individual?—Yes, that is true.

5272. It is unsatisfactory; but you cannot suggest any other method?—I can suggest this. The simple way would be that his mess bill should be charged to his account, and the matter should be settled then.

5273. Is there any objection to it?—I do not see any at all. It would possibly help to prevent a man taking more than is good for him, or spending more than he ought to spend; but then there would always be the possibility of the second course being adopted. It is almost impossible to prevent irregularities if people want to be irregular: but if that system was adopted it would mitigate, I think, the possibilities.

5274. You think that a system of charging the man's messing through his account, and having no cash would be an advantage?—Treat his drinks as we do his food. His food is already charged through his account.

5275. You do not think there would be any objection to that?—I do not think there would be any objection to that.

5276. (Major-General Eaton.) Do not you think some of the non-commissioned officers might object?—I do not think they would.

5277. Do you think a system of a central organisation, supplying stores and worked by the War Office, would be workable?—I suppose it might be workable; but I think it would be very unsatisfactory to the regiments.

5278. You say you never had anything to do with the tenant system yourself?—Only once, on a detachment. Never with my own canteen; on a detachment I have seen it worked in a small way—the sutler system, where the man was farming the canteen from the War Office.

5279. You must have a big canteen?—Yes, we have a large one.

5280. Who purchases all the supplies for your canteen?—The Chief Staff Officer. It is a district contract, and it is made in the district office. We have no choice in the matter at all. We are simply bound, much to our detriment, I think.

5281. Suppose you have any complaints, what happens?—We have to forward them to the Chief Staff Officer, and report a piece of bacon, or a pound of cheese, or something is wrong, and then there is a board of officers on it. That has happened when we did complain. We generally endeavour to avoid complaining for that very reason.

5282. Then you have a separate local central organisation, very much on the same lines as the great central organisation for the whole Army might be formed in

London?—Very much on the same principle, I think it would be.

5283. It does not work satisfactorily to your mind?—We do not think so. If the Commanding Officer had the right to make his own purchases, as we used to in the old days, we should get things much cheaper than we do now. I calculate the regiments lose 200% to 300% a year, and the value we should have is reduced 200% to 300% by having to deal with one contractor for all things.

5284. Who is the contractor there?—Dickeson is the present one. I think he is as good as any other contractor, but the system is, I think, wrong.

5285. Do you think you would get things yourself cheaper from him than the Chief Staff Officer does?—I think we would not deal with him if we had the option, but should deal with somebody else.

5286. There is no competition?—There is no competition. The contract is made by the district office for the whole of the district, and we have to take the goods at the price at which they make the contract, which is much above the market price, I should think, on an average. My experience was that most of the things were above the market price that we could have bought at ourselves if the canteen president had the right to buy. He could have bought them at least 10 per cent. less than we are paying now. I could cite you instances. With regard to potatoes, for instance, we have been paying the contractor, by contract, 3*l.* 13*s.* 4*d.*, and we know they have been sold in the market at 3*l.*, so that we have been paying 13*s.* 4*d.* a ton more because of the contract.

5287. That is at Gosport?—Gosport; and many other things exactly on the same lines.

5288. How long is Dickeson's contract for, do you know?—I should think it is nearly up now. I think in June.

5289. It is not made so that the price varies with the market price?—Only I think when they go up. They are all like that. Whoever you deal with, they always endeavour to insert that clause. It does not matter who the contractors may be.

5290. Have you any idea what the profit is per month?—No.

5291. A tenant would give a rebate of 3*s.* to 4*s.* a man?—Yes.

5292. Do you think at your canteens you make a profit of 3*s.* a man?—I should think so, quite. Whoever he was that gave us that rebate he would get it out of us first. The tendency of all contractors—my experience is a very lengthy one now with regard to stores—is that the desire is to pass the most inferior articles that he can upon us—not the best. I have never met any of them who would produce a good article for the sake of producing a good article. They always bring a thing of the lowest quality so that it will just pass. It is the same with bread and meat. They always try, not to make the thing according to contract, but to give a thing that will just pass, and that is what we suffer from always with contractors.

5293. The bread and meat is a Government contract?—The contractor will try just the same kind of thing with that.

5294. We have been told that the Government supplies were very much better than any other supplies?—They are very much better than they used to be.

5295. You do not think they are better than you could get them in the market?—I do not think so at all.

5296. (Colonel Bridge.) You do not mean to say you can go into the market and buy meat, for instance, at a butcher's shop cheaper and better than you can buy rations?—You can buy as cheap and good. You can buy beef at 5*d.* and 6*d.* a lb., you can always get it as cheap in town.

5297. At Gosport?—At Portsmouth. You can get good meat now almost anywhere for 6*d.*

5298. Not home-bred meat?—Some of us think that the other is quite as good. As far as the quality is concerned, you can get meat of equal quality for the same price outside.

5299. At a small butcher's shop?—The meat is very much improved, there is no question about that, of late years; in the last 12 months, particularly in quality, to what it was before.

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5300. They are not allowed to give Australian meat?—Not at all, no. We are on home-killed altogether now.

5301. Except mutton?—Yes.

5302. But the Government price for mutton at Aldershot at this moment is 3½d., and I will undertake to say there is no butcher's shop in Aldershot or in London to which you can go and buy meat retail for 3½d., whether it is frozen or home-killed?—We can buy it from 2½d. to 3d. in Gosport at these colonial dealers.

5303. You do not get good meat at 2½d., because it does not come into the country at 2½d.?—I am not finding fault with the meat, I was simply expressing my opinion with regard to contractors.

5304. Buying largely, you must buy better than when buying on a small scale. I think that is an ascertained fact?—But with regard to every other kind of thing you can buy cheaper in the town, and it does not matter who is the contractor, an outside tradesman can supply a better article at a less price. For years I have been in the habit of checking the price lists of the canteen with all other price lists that I could find and I have been very much interested in this question, and that is my experience.

5305. (*Major-General Eaton.*) Are there any suggestions you could give us as to how you think the canteen might be improved?—I can only speak for my own corps. We have, we think, very excellent institutions of every description. We have a very fine reading-room, game room, coffee room, and all that sort of thing. We take nearly 150l. a month in our coffee room alone.

5306. (*Captain Boehmer.*) Being a rifle brigade depot canteen, yours is very much the same as the Chatham. You have a permanent canteen which has only been recently transferred from Winchester?—When we are at home, we are what you call a permanent unit.

5307. You are one of those permanent institutions that you cannot compare with ordinary travelling regiments?—No. But more than 30 years ago it was then under the same system, but we were always able to give every man a penny a day messing money from the canteen. That is more than 30 years ago.

5308. (*President.*) Then I understand that you are strongly in favour of fixing the responsibility for the management of the canteen upon the regiment itself?—Yes.

5309. And giving the Commanding Officer full freedom as to where he shall purchase?—Yes.

5310. You think that if that practice was adopted in the case of your own regiment it would be a saving to you?—Of 200l. a year.

5311. And also you would obtain a better article?—Yes.

5312. You say you have taken a great deal of interest in the whole question of canteen management?—Yes.

5313. It is a hobby of yours, evidently, from your evidence?—Yes, although, mind you, I have nothing to do with it.

5314. Have you examined the working of the Workmen's Co-operative Society?—No, I have not.

5315. You are aware that that is a big industrial organisation for the purpose of distributing groceries?—In Portsmouth I know that there is such an institution.

5316. You have not examined its methods?—I have not, no.

5317. Because the suggestion has been made to this Committee that we might combine the principle of decentralisation, *qua* the management of the store, with a great centralised system for the purchase of the goods that you require; I suppose you want to get as much as you can for your own soldier?—Yes.

5318. Suppose you had an organisation buying, in large wholesale quantities, articles required for the canteen consumption and sending back to the canteen all the surplus profits that might remain after they had made a small percentage upon their share capital, you would save for the soldier the profit which now goes to the wholesale dealer. You admit theoretically that ought to be possible?—Yes, it sounds well.

5319. And if you can do it, it is very good business for the soldier?—If it could be done, yes.

5320. You evidently take an intelligent and sympathetic interest in the recreation of the soldier, and I ask you whether it has ever been suggested to you that you should make a personal examination of the working of the co-operative system as adopted by the working classes themselves, with a view of seeing whether you cannot apply any of their methods, which have been signally successful under their management, for the purpose of supplying Army canteens. You have not done that?—I have not done that; but I have had to do with co-operative stores.

5321. I am not speaking of the Army and Navy?—That is co-operation, in which the shareholders take the profits. I understand the soldier would be the shareholder in this case. That is, what you mean?

5322. The soldier would be the shareholder. You have stated in your evidence that you are distinct losers in this way; that the soldier has his articles supplied for him by an authority over which he has no control. That is, the General Officer Commanding?—Yes.

5323. The General Officer Commanding makes a contract, and if it is an unprofitable contract the soldier suffers?—Yes.

5324. I understand you to suggest that you would give the regimental officer full power of discretion as to the market he goes to for his goods?—Quite so.

5325. I am also suggesting to you whether you would not still further promote the advantage of the soldier if you were to establish a central organization for purchasing articles required for Army canteens, dividing all the profits realised by the central organization among the canteens in proportion to the purchases they made?—Still allowing the Commanding Officer the right of not dealing there if he liked. We have tried that already. We joined the Mess and Co-operative at its very beginning, and we gave it up.

5326. Why?—Because we found it was not doing any better for us, or as well as a contractor, generally. Both myself and my Commanding Officer thought so. I told him that I was coming here, and I am speaking his views as well as my own.

5327. Tell us why you gave up the canteen system?—Because the supplies were not good.

5328. Are you personally responsible for the canteen?—I have nothing in the world to do with it, except that I was asked by my Commanding Officer because of my knowledge of things generally.

5329. I suppose you have heard of cases where canteen managers have received presents from wholesale firms?—I have heard many things with regard to that, but the canteen manager had absolutely nothing whatever to do with this. It was the Commanding Officer himself who saw that the things were not according to contract. I could cite to you one or two instances.

5330. Can you tell us the name of the Commanding Officer?—It was Colonel Donald Brown.

5331. I want to get evidence from you bearing on the question of why it was that the canteen in which you were interested gave up trading with the Canteen Mess?—Because the supplies were not so good. When they tendered again they did not get the contract; and as far as we were concerned, I am absolutely certain that the canteen steward had nothing whatever to do with it.

5332. Are you in a position to say whether the canteen steward received presents from the contractor or not?—Of course I cannot say positively.

5333. You could easily imagine that a firm who makes it a rule never to offer any commission is really handicapped in its competition against firms whose agents do bribe the canteen manager?—I should imagine that would be so; but as far as I know I have never heard of Dickeson or anybody else bribing the canteen steward.

5334. You say you have heard of a good many instances of corruption in your experience?—Yes, I have heard a great deal about it in 35 years, you may be quite certain.

5335. Is there any statement you would like to make to the Committee as to corruption?—No, I have nothing to say.

5336. You say you have heard a good deal about it?—One cannot help, if one is in the Service, hearing of corruption.

*Capt.
T. M. Riley,
R.B.*

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5337. In your opinion is it very prevalent?—Not now; I think not.

5338. You think it is not so common as it used to be?—It is not so common as it was 20 years ago, by any means.

5339. Twenty years ago what was the custom?—I think every canteen steward received, and thought he was doing no harm in receiving, presents. I think it was looked upon by everybody in the Service in those days that it was a part of his perquisites to receive a present from anybody he dealt with.

5340. You think that that idea no longer exists?—I

do not think that idea exists. I hope the men are being educated beyond that.

5341. You think that there are men who would refuse to take presents?—I think there are non-commissioned officers to-day who would refuse to take presents.

5342. Would such a man be regarded as rather quixotic by his fellows?—It is more than 20 years ago since I served with them, so that I cannot say; but I know that even in those days there were non-commissioned officers who would not take bribes.

5343. You are not in close personal touch with them now?—No, not now.

The witness withdrew.

Major-General HALLAM PARR, C.B., C.M.G., called and examined.

*Major-Gen.
H. Parr,
C.B., C.M.G.*

5344. (*President.*) We have had a good deal of evidence on the subject of canteen management, and I think, perhaps, it would suit the convenience of the Committee best if we were to ask you to bring before us any particular point which you think would help us in our inquiry?—With reference to the general question of working regimental institutes, I am against the regimental system. It is now generally admitted that it depends for its success on some officer with special business aptitudes being found to carry on the institute, and when he is found, he has to be taken away from his legitimate work of training his men. There is, besides, the large number of non-commissioned officers and men removed from their professional duties, and the necessity of constant watchfulness to prevent speculation. With regard to the form the tenant system is to take in the Service, I have been making, during the past 2½ years, experiments at Shorncliffe, and, judging by the experience thus gained, should deprecate the sudden formation of any large centralised co-operative system or association for the Army in the United Kingdom, although a cautious venture in this direction might well be tried.

When I took over command of the Shorncliffe garrison I found that a well-known firm had almost the entire monopoly of the supply of the camp. If it had not the tenancy of the institute of a unit it had the supply of the goods. This practice of dealing with one firm I strongly objected to, but I gave no orders in the matter, as I hold that the proper person to decide on whom he should employ is the Commanding Officer of the unit. My views in the matter were, however, well known, and after a certain time one battalion, the Royal Fusiliers, obtained leave to give up the regimental system, and to enter into what was then thought to be a very advantageous arrangement (2s. 7d. per man per month and percentage of profits) from the soldier's point of view with the Canteen and Mess Association. This had the effect which I had hoped for, and the firm of contractors found it necessary to offer much more advantageous terms before long. This, I think, is an object lesson. If respectable contractors are prepared to offer good terms to regimental institutes, it seems to me we cannot go far wrong, so long as competition exists, and as long as we are in a position to play off one firm against another. At the same time, it would be interesting to utilise the machinery of the Canteen and Mess Association for Army purposes, and make a partial and cautious experiment in this direction. I should remark that the arrangements which the Canteen and Mess Association made with the Royal Fusiliers did not prove sufficiently remunerative for the association to continue it, and the battalion has now entered into a temporary contract with Messrs. Dickeson (rebate 2s. 9d. per man per month and surplus profits), who are said to be making it pay.

There is, I believe, an impression that contractors are in a position to push their drink on their customers, and thus gain extra profits. When we examine, practically, this idea, I do not think any such action on the contractor's part is practicable, at any rate in any regularly formed corps. (a) The contractor is not allowed to give credit; (b) soldiers have to go to the counter to get their beer: it is not brought to them; (c) a non-commissioned officer is at the door all the time to see men do not exceed; the canteen is visited by officers during the day, and by the sergeant-major, who would notice anything abnormal; (d) any "treating" would not add to the profits.

I should like to see appointed to each district, or, if not, to each Army Corps, War Office experts as Inspectors of Regimental Institutes, who would be

continually on the move and appear when they liked in an institute and satisfy themselves as to the supplies, as to the accounts, and as to the general working of the institute. These officials would be of very great assistance to the Commanding Officers, and would do much in getting the best value of the institute for the soldier. Moreover they would come to know the weak points of the various contractors, and would hear, in the course of business, whether the contractors were acting on the square or not, whether such or such contractors were endeavouring to use inferior goods, &c., &c.

There is one point which I have recently been in communication with the War Office about, and which the Committee may feel inclined to consider. Many Commanding Officers are anxious to improve their regimental institutes and their surroundings and make improvements which, although very advantageous, yet are such which the Government cannot be expected to provide funds for. There is no system in the United Kingdom or in the Colonies by which an incoming corps pays for the "betterment" carried out by the outgoing corps; thus Commanding Officers do not feel justified in expending sums on the institute for a short occupancy. In India it is an acknowledged regulation that an incoming corps takes over by valuation the improvements carried out by the outgoing corps; if there is any dispute the General Officer Commanding steps in as an arbitrator. The matter is of more importance with regard to the regimental institutes being made attractive than may be supposed at first. For instance, every institute should be surrounded with a garden, and have seats, arbours, or summer-houses, &c., &c., where there is space. Few Commanding Officers will spend money over a garden when they cannot recoup themselves for the outlay. The consequence is that the environs of the regimental institutes are often very cheerless. After a good deal of correspondence and hesitation the Officer Commanding 3rd Provincial Regiment of Dragoons has received permission to erect a billiard room, capable of holding four billiard tables, as an addition to his regimental institute, so as to throw the whole of the games' room open to the men for games which do not require so much room as billiards. He has had to undertake not to demand anything from the incoming regiment when he leaves, and the question of making a garden which he raised (perhaps somewhat needlessly) at the same time was put on one side. I would submit that when a Commanding Officer gets the General Officer Commanding's permission to make an addition or improvement to the regimental institute that, as in India, the incoming corps is bound to take the "betterment" at a valuation.

5345. I understand you are in favour of making the soldier's life as comfortable as possible out of the profits of the canteen?—Yes.

5346. And that you are distinctly in favour, if I understand your evidence aright, of making the regimental officer responsible for his own institution?—For his own institution.

5347. Including the canteen?—Yes, I am most anxious not to lessen the Commanding Officer's responsibility, and his interest in the matter.

5348. The way in which the canteen is managed does affect the well-being of the men, for which the Commanding Officer is responsible?—Yes.

5349. You deprecate the organisation of anything like a great central society with which the Army can-

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teen and institutes should be compelled to trade?—Yes.

5350. But you do favour a tentative experiment being made on the lines of the Canteen and Mess Association?—Yes.

5351. Then I understand your view is this, that the regimental officer should have the option to trade with the Canteen and Mess Association, or in any other quarter from which he could get a good article for his money?—Yes, certainly; of course it is to be understood that he goes to the General Officer to get his consent. I should like the General to be informed of what is being done.

5352-3. Why?—I think it would assist the Commanding Officer.

5354-5. Would you make it necessary to get the consent of the General Officer Commanding, or would you only suggest that the regimental officer should report to the General Officer Commanding?—I should be satisfied with a report; should the General Officer be advised of what was going on. If the Officer Commanding was making a bad bargain on dealing with a dishonest contractor he would then be able to assist the Commanding Officer.

5356. You said the Canteen and Mess Society succeeded in reducing the competing contractor's prices. Where was that?—At Shorncliffe. It was simply the competition with another contractor which brought the contractor on his knees. The contractor increased his terms in a few months from 2s. a month per man to giving 2s. 9d., and all the profits above 5 per cent.

5357. It has been suggested to us that a society running on the lines of the Canteen and Mess Association should be promoted with a view of saving for the soldier the wholesale profits?—Yes. An experiment in this direction would be useful.

5358. But you would be strongly opposed to making it compulsory on the part of the regimental canteen to trade with this canteen society. They ought to have freedom of option as to where they should go?—Yes.

5359. It has been suggested to us that a Canteen and Mess Society, which I understand does not adopt the trade practice, which is very common, of making it worth the while of the canteen manager to take an interest in the goods they supply, would find it difficult to compete against a contractor who does use the methods which are dishonest, but which are very prevalent?—I daresay it would be so.

5360. Take a regimental canteen, which gets its goods from a trader whose agent makes a present to the canteen manager on his turnover?—I am very much against the regimental system. I do not like it at all in any form, as regards the old regimental system with non-commissioned officers in the bar.

5361. You object to men on the active pay list being in the service of the canteen?—Yes.

5361a. But you are in favour of the Canteen and Mess Association running the canteen?—I am in favour of a tenant system.

5362. How do you secure the full freedom of the regimental officer taking advantage of the markets and getting the best article he can obtain?—He is in the hands of the contractor as far as that goes, and he only gets the profits by his contract.

5363. You do not think it is possible to organise a better method than that?—I will not say that, but I should like to see a tentative experiment made with the Canteen and Mess Association, and I should like to see it tried alongside the present system of contractors.

5364. Have you ever studied the working of the Workmen's Co-operative movement?—No, I have not.

5365. They have a large number of stores, all run by the workmen who are purchasers from these stores, and they buy in the open market wherever they can make the best bargains, but they give preference to their own wholesale organisation. Would you be opposed to something of the same character being attempted in the Army canteen, having a local committee to superintend and manage it, the manager having full freedom of purchasing the articles he required, either from the Canteen and Mess Society or from Messrs. Dickeson or Lipton, or any other quarter he liked to go to?—I should like to see it tried

very much. I think the more experiments we make, and the more directions we make them in, the better.

5366. (Major-General Eaton.) You have tried the Mess and Canteen System?—It was tried for a short time.

5367. And it was not a great success?—No, it was not.

5368. So that they have had a fair chance?—The Colonel of the battalion, judging by his experience of the Canteen and Mess, was not very much in favour of it. But, personally, I think it was tried in a hurry, and I do not think it had quite a fair trial. I should be prepared to see the Canteen and Mess Association tried further; but certainly their trial at Shorncliffe was not a success.

5369. You would not have it compulsory?—Not at all.

5370. You would put them in competition against any other firm, so to speak?—Yes.

5371. You are not in favour of forming any central organisation which every battalion must get all their supplies from?—Not at all. I think what we have tried in Shorncliffe shows the great importance of keeping up competition.

5372. (President.) You made some interesting observations in your paper upon the improvements which have been made out of canteen profits for the convenience of the soldier, and as to the principle which should regulate the arrangement between the outgoing, and the incoming regiment. Suppose that you thought it desirable to put up buildings which could be obtained by the expenditure of a capital sum of money which might be raised upon the security which your canteen profits afforded, do you not think that, as those means would contribute to the comfort of every successive unit that might come in, it would be a fair arrangement to make the interest upon that capital which was required and expended to meet the convenience of the men, a permanent charge upon the canteen profits, to be paid off by slow degrees by every successive unit as it came in?—At first sight I should not object to it, but it is a matter that requires consideration.

5373. It does not strike one as unfair?—I do not think so. Each successive unit will enjoy the betterment.

5374. It would enjoy the result of the expenditure?—Yes.

5375. (Colonel Lambert.) What do you find with your experience the chief disadvantages of the tenant system to the men?—I am in favour of it.

5376. But has it any disadvantages which have come before you?—In dealing with the tenant system, the chief thing is to get the best price out of the contractor, but compared with the regimental system it has much fewer disadvantages.

5377. Of course, the disadvantage is that they do not get the wholesale profits. Do you think there is any tendency, as they enter on it as business men, to press the sale of drink any more than under the regimental system?—Not at all. I have said that in my paper. I have gone into that matter, and I cannot see how they could press the drink on the soldier. I do not understand what they could do.

5378. Have you thought out at any time any means for the better conducting of the sergeants' messes throughout the Service? It has been given in evidence here, very often, that many sergeants' messes leave very much to be desired in the principles upon which they are conducted?—Yes.

5379. Is there any means you can suggest?—The only means I have thought of is some system of not letting the members pay in money.

5380. This is conducting it, more or less, on the system of an officers' mess?—Yes, and sending their mess bills to their companies.

5381. Have you ever seen that tried?—No, I never have.

5382. It has no disadvantages that you know of at first sight?—I do not think so. I think it would be probably unpopular in sergeants' messes; that goes without saying. Doubtless, a great many people come and drink in some sergeants' messes which we do not know anything about, and it is exceedingly hard to put a stop to it; the liquor book is not an efficient check.

5383. There are so many abuses in the sergeants' mess that only those who have experience of them know how many and how great they are?—In some messes that is so.

5384. The Committee would be very glad if anybody could suggest some means of minimising these evils?—It is what we all desire to do, but the question is a difficult one.

5385. (*Colonel Bridge.*) It has been suggested by a Colonel Commanding a regiment that their efforts to improve the men are interfered with by the fact of the public-houses in the town attracting them; that is to say, if they try and wean them from public-houses by refining their surroundings in the barracks they still have got this public-house that receives them with open arms outside. Is that your experience?—I think that in competition the Commanding Officer should make his institute more attractive than the public-house.

5386. They say that their efforts to-day are defeated by the public-house. That if they make their canteens more or less unattractive, and their dry canteen and recreation rooms attractive, their efforts to turn the men from the canteen into those more attractive recrea-

tion rooms are defeated by the fact that you have got the public-house near?—I think if the institute is run properly, with amusements at night, and it is cheerful and well managed, the only reason that a man will go out of barracks for is to see his young woman. There is one advantage that the regimental institute has over the public-house, and that is a great one—a man has not got to go and dress. That means a great deal after a man has done a day's work. Therefore, unless he has some young woman to go and see, he is contented with the regimental institute if it is well managed.

5387. Even although they do not sell beer?—But they can get their beer.

5388. At the canteen?—Yes, they have their bottle of beer with their supper, and they can go across to get their beer at the canteen. I think we found that at Shorncliffe.

5389. (*Captain Boehmer.*) You mentioned bottles. Is the system in your command that with the supper, to get rid of abuse, you only allow bottled beer and not draft beer?—Yes; a man is allowed to take with his supper a bottle of beer. I think that is mostly the rule.

5390. There is no arrangement for draft beer?—No.

Adjourned to Monday next at 2.30.

TENTH DAY.

At the War Office, Pall Mall.

Monday, 28th April, 1902.

PRESENT:

The EARL GREY (*President*).

Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE.
Colonel J. A. LAMBERT.

Major L. A. M. STOPFORD, D.A.A.G.
Captain BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary*.

LORD EBRINGTON, called and examined.

5391. (*President.*) You are the chairman of the Canteen and Mess Co-operative Society?—Yes, and as such I welcome this chance of explaining its work to the Committee. The society has for long been the victim of misrepresentation, and within the last few weeks even of slander, in the press. Since some of these misrepresentations may have been brought before you in evidence, I think it my duty to lay before you certain facts in some detail. The society was founded in 1894 by Major Craufurd. Closely associated with him was a brother of my own, Major Lionel Fortescue, who was killed in South Africa nearly two years ago. It was through my brother that I myself became interested in and connected with the society. I served on the committee in 1895–6 and rejoined in 1901. I only hold 20*l.* of shares. The society, I must impress upon you, is not an ordinary trading company. It is registered, not under the Joint Stock Companies Acts, but under the Industrial and Provident Societies Acts. In other words it is a friendly society similar to the industrial co-operative societies which have done so much for the working classes. It was founded on the pure Rochdale system of co-operation, and affiliated to the Co-operative Union, which visits any departure from the principles of that system by the expulsion of the offending society. By the rules of the society, duly registered and therefore binding in law, no individual can hold more than 200*l.* worth of shares, and the interest thereon is limited to 5 per cent. The utmost profit possible to any shareholder by the existence of the society is 10*l.* a year; and 10*l.* a year is the most that any of us can lose by its dissolution. The design of the founders was to form a federation of regimental canteens, working together on co-opera-

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tive principles for mutual benefit. Its main object was to get rid of the corruption attending the trade with the ordinary Army contractors; and it aimed also at securing to the soldier the profits that now go to those contractors. As in the case of the industrial co-operative societies, provision is made in the rules for the return of the surplus profits to the members of the federation; that is to say, in the case of this society, to the regiments who have become affiliated as members. The constitution of the society is so framed that the profits in the first instance, instead of being paid in cash to the regiments who have joined as members, can be retained as working capital, being allotted to those regiments in shares bearing interest at 5 per cent. The intention of this arrangement was that the whole of the share capital should eventually become the property of the affiliated regiments, and that the individual shareholders who came forward in the first instance should be bought out at par as a maximum. Due provision for this end is made in the rules aforesaid. Individual shareholders were of course necessary in the first instance, to start this experiment of pure co-operation in the Army. The interest of 5 per cent. was insufficient—as was pointed out by an expert at the time—to attract capital to an undertaking which was obviously subject to many initial risks. Great risks should offer great rewards, and such rewards are forbidden by the constitution of the society. The value of the shares could not be enhanced, since the society reserved the right of buying out the individual shareholders at par as a maximum. The rate of interest could not be increased, since it was limited by rule to 5 per cent. The prospect that had to be faced by the original subscribers of capital was a

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probable loss of their money. The utmost for which they could hope was interest at 5 per cent. on their outlay, and to be eventually bought out at par as a maximum. Meanwhile under the constitution of the society they surrendered the absolute control of the finances to the trading members, as the following rule will prove:—

- "Each original member (see Rule 3) is entitled to one vote only, in respect of the share or shares held by him."
- "Each individual member is entitled to one vote provided 25 or more shares stand in his name."
- "Each representative member is entitled to one vote for every 200*l.* paid during the previous year to the society by the canteen, mess, institution, club, or home represented by him for goods supplied to the society."

To illustrate the working of this I would mention that there are 3 original and 95 individual members. The trade of the two battalions at Wellington Barracks would give to them alone over 70 votes; thus three or four representative members may easily be in a position to control all the original and individual members put together. It followed necessarily that the shareholders were seekers not of wealth for themselves but of the welfare of the soldier. To my knowledge, some of the original shareholders could ill afford to lose the money which they subscribed towards the foundation of the society. It followed also that the subscribed capital was necessarily small. This is by no means unusual in true co-operative societies. The very large organization which exists for Woolwich Arsenal began, I believe, with a capital of 7*l.* and some odd shillings. I have said enough, I think, to show that the founders of the society, if, as is alleged, they sought their own enrichment, took remarkable pains to defeat their own object. However the society was started, and Mr. Heygate will lay before you statistics of the increase of its trade from 4,700*l.* in 1894 to 265,000*l.* in 1900, during which period we paid 5 per cent. on our capital. This increase of trade from 4,700*l.* to 265,000*l.* in seven years is, I think, sufficient proof that the co-operative system is practicable for the Army and can be worked with success. It was no sooner fairly started than it reduced the prices of the Army contractors. One large customer put the reduction at 20 per cent., but for the purposes of my argument I am content to call it 10 per cent., and I would invite your particular attention to this point. At the time when the society came into existence there was what is called free competition for the supply of canteens. Free competition is supposed to ensure to the customer the lowest prices, yet, no sooner does true co-operation appear in the field than the irreducible minimum, obtained by free competition, is immediately reduced by one-tenth. It is not unreasonable to infer that if co-operation be withdrawn from the field, free competition so-called will raise prices by one one-tenth as suddenly as it originally lowered them. I think I am justified in claiming that such an institution as the society was needed; and the need was recognised at the outset by the officers charged with the general supervision of canteens. One of them, quite early in the society's life, told my brother that he attached peculiar value to it, since it was the one institution which he could recommend to regimental institutes with the certainty that they would be well served, and without creating suspicion that he sought gain for himself or for others. I should not venture to lay this hearsay evidence before you, did I not feel assured that this officer's reports are accessible to this Committee, though they are not so to myself, in the archives of the War Office. Should I prove to be mistaken in thinking that the purport of these reports is favourable to the society, at any rate up to the year 1899, I beg that you will take this statement as my statement, and no more. The need for the society is proved also, I think, by the remarkable increase of our trade, but the position we obtained was only won by a great deal of hard work in the face of a great many difficulties. To begin with, we were hampered as to funds and committee men by the War Office objecting to officers on full pay serving on the society's committee, or even holding shares. It is only within the last few months that this question of serving on the committee has been settled in the society's favour. The authorities also have prohibited the investment of canteen funds with the society. As they are more or less in the position of trustees for these funds, and the society had its position still to establish, I do not

question the propriety of their action. But our intention that individual shareholders should be replaced by regimental institutes—that, in other words, the society should become the property of regiments—was defeated, and we were consequently compelled to seek capital from without, the very thing for which we are now blamed. The explanation of this action is easily found. Co-operation is little understood in the Army, being generally identified with the Army and Navy Stores; and the War Office, not realising that the society was working for the soldiers' good, and not for private profit, treated us as an ordinary firm whose persistence was rather irksome. The misunderstanding was none the less unfortunate, for the lead of the War Office was naturally followed in many quarters. In other quarters again we encountered opposition because it was supposed that the War Office received us with too much favour, so we suffered alike from those who wished to show either loyalty or independence. Trade rivals of course met us with active competition, which sometimes assumed a peculiar form. We have also had to meet underhand opposition, which we attribute, because it was underhand, entirely to the fact that we have always set our face against commissions and illicit gains of every kind. We can lay documentary evidence before you about this opposition, which I think you will admit justifies the name I have given it, and we can show you letters asking in plain language for that illicit gain as a custom if not as a right. You have probably had evidence from other sources of the extent to which this has prevailed in connection with canteens, and are aware that two separate cases were made the subject of inquiry by the War Office within the last few years. But irregularities such as these are by no means the only ones we have had to contend against. The secretary can lay before you documents showing the way in which a letter of ours as to a tender was dealt with. Papers are at your disposal which will show you, I think, that the manner in which tenders are allotted does not produce the results intended. Even since I prepared this statement another instance has come to light, the correspondence on which we can submit to you. We can also lay before you a correspondence exemplifying the false charges which are preferred against us by canteen stewards, and the indifference with which such conduct is regarded, an indifference which makes efforts to establish a clean-handed system very uphill work. Meanwhile, in face of all these obstacles, the society has extended its business, as our figures show. We have more friends than enemies in the Army, and we do not think that our enemies, from the evidence which we lay before you, are in all cases wholly disinterested. Until this year we have paid 5 per cent. on our capital, and have laid out some 5,000*l.* in extensions. Our premises are open to your inspection, and not only our premises but our books. We are told sometimes that our title is a misnomer, because we do little business with officers' messes. It is true that, as caterers, we do none; and I should like to explain the reason. It is very difficult to supply both an officers' mess and a canteen on terms that are fair all round, and catering for both is beset with temptations. Take the case of a regiment 800 strong, with 20 officers in mess. The men will spend something like 800*l.* a month, perhaps more, in the canteen and institutes, and a fair rate for the officers' messing might probably be 5*s.* per head per diem, or 150*l.* per month. In order to get the profit on the men's 800*l.* it might be well worth while to forego all profit, or even lose 1*s.* a day on the officers' mess, and to supply them for 4*s.* a head, or 120*l.* a month. This would be a sound and legitimate business transaction, and it would never occur to 999 officers out of 1,000 that in such a case they might in fact be getting their messing cheaper at the expense of their men. None the less, it might be true, and therefore it is not a line of business in which we care to be concerned, especially as, when the same firm caters for officers and men, there is a risk that complaints made by the men about the goods supplied to them may not always receive as full a hearing as they would if the goods came from an independent source. Another reproach against us is that we never have divided any profits except to an insignificant extent. The reason is that the War Office forbade regimental institutions to supplement our capital, as projected by our constitution. The acceptance of outside capital laid us open to the charge of making money out of the men for the benefit of the officers. We therefore were compelled to obtain from our surplus profits the money necessary for the extension of our business. Though we should have preferred

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to have distributed in bonuses the 5,000*l.* we spent on extensions, yet our use of it was entirely in accordance with our rules as registered under the Friendly Societies' Act, and approved by the Co-operative Union. But for the war we have every reason to believe that we should have been dividing profits ere this. The war has affected us in another respect. It has been our constant endeavour to employ old soldiers as much as possible, but old soldiers do not necessarily represent the highest form of skilled labour. At the time the war broke out we had, by sorting and sifting, got together a very efficient staff. The war has taken from us some 40 Reservists; only two weeks ago six were called up in one morning without previous notice. We have constantly had to re-create a large portion of our staff at a critical time, when trustworthy labour is notoriously scarce. Had we been content to employ civilians, we should have saved ourselves infinite trouble and avoided many complaints of unbusinesslike methods; but we wished, as far as possible, that the society should benefit the soldier not only during his term of service but also after his discharge. This, perhaps, is the place to point out that if the Army adopted co-operation as a rule it (1) would avoid the loss and waste imposed on the canteens at present by every change. This is supposed to come out of the pocket of the contractors, but in practice, of course, it comes from the consumer—the rank and file of the Army. (2) The employment of a large number of reserve men would furnish the material for whatever expansion might be desired of the A.S.C. in time of war, for they could either take over the A.S.C. duties at home or go abroad as a ready organised Field Force canteen. But to revert to the society's business. You have heard of its very large increase, and that till last year we had paid 5 per cent. on our capital. It is true that our last year's trading showed a falling off, but that is easily accounted for. The war has removed numbers of our customers, to the value of over 100,000*l.* a year, to South Africa, where the State has made provision for them on the co-operative principle which we advocate. Many other trading concerns have been placed in the like predicament by the same cause (we, unlike them, have only one line of business), and they like ourselves will recover when the cause is removed. Meanwhile our competitors have seized the opportunity of the general disorganization to endeavour to kill our society outright, and they have been aided by the fact that the officers called up from the Reserve for the troops at home are out of touch with the co-operative movement initiated by us, and content to revert to the old system with which they are familiar. It is now asserted that, being in hopeless difficulties, we urge the State to take us over and save us from bankruptcy. Our last balance sheet will show you our actual situation; while the innuendo is conclusively met by the following passage from a pamphlet published by the society a year ago:—"Finally the society must again insist that it has not the remotest desire to extend its name, nor to call attention to its own importance, nor even to increase its business, except so far that it believes such increase to be for the welfare of the British soldier. Had it desired profit, it could have sold its business, lock, stock, and barrel, to one or other of the old contracting firms, which would have been only too glad to give it a handsome bonus to get it out of the way. Had it desired not only profit, but increasing profit, it could have floated the business as a limited liability company with assurance of success—indeed, this step has been repeatedly urged upon it by persons outside the society. But the society has no wish for profit. Its object is to establish not a business but a principle, the principle of co-operative profit-sharing, for the benefit of the British soldier. That principle once accepted, the society will regard its work as done, and will be very well content that the name of the Canteen and Mess Co-operative Society, Limited, should disappear. Meanwhile it offers itself as a living proof that the principle is a sound one and for the benefit of the British soldier; and it offers its services to the military authorities, not with any idea of profit, not for the benefit of any individual or group of individuals, but simply as a healthy stock on which, as it believes, the whole canteen business of the Army may, with good promise, be grafted. The shareholders, as already stated, will rejoice to see their places taken by regimental institutes; and the whole establishment will be at the disposal of the country, so to speak, at cost price. Should the military authorities feel indisposed to avail themselves

of the knowledge, experience, and vitality of a living organisation, the society asks only, with great respect, that they will at least procure for it fair play. From contracting firms, canteen stewards of the old class, and others who for years have battered on the plunder of the British soldier, the society knows by experience what to expect; and it is ready to continue its fight against these powers of corruption so long as it can count on the active support of those whom it is striving to serve." Then, as now, we contended for a principle, and if this principle be accepted we shall be content to efface ourselves. As a matter of fact, co-operative principles were making such progress in the Army up to the time when the war broke out that with another three years of peace I believe they would have established themselves in an impregnable position. I hear at once that this would have given the society a monopoly, but I need not tell this Committee that the word "monopoly" used in connection with the Rochdale system of co-operation is absolutely meaningless. Though the prohibition of the War Office might have delayed the passing of the business into the hands of the regimental institutes and the buying out of the present shareholders, yet, none the less, all profits would have been divided amongst the men. Thus the so-called "monopoly" would have been distributed among from one to two hundred thousand men, and the business which they would have monopolised would have been that of providing for themselves. Where does monopoly come in if profits go to consumer, not to shareholder? But I will not insult your intelligence by dwelling further on this catch-word "monopoly." If I am asked whether I would make the adoption of some form of co-operation compulsory, I would say frankly that though I have no doubt as to the superiority of co-operation over any other system, yet the wisdom of making it compulsory is a point which it has not been my business to think out, and on which I cannot offer a matured opinion. On the face of it I should be inclined to say there was no greater objection to bacon or butter being supplied through a central source than there is to the issue through central sources of so many things that are essential to the soldier's existence as a fighting man. Adulterated cordite or inferior equipment may cost a man his life, and if soldiers have no choice as to the source of necessities it does not seem a great hardship if they have none as to the source of what are more or less luxuries. I do not, however, like to dogmatise on the question without more information than I possess; especially as I know that it is difficult for a civilian to appreciate the bearing of such a change of system upon the officers who would have to work it. I am, therefore, quite prepared to believe that an arrangement with some elasticity in it would be preferable, at any rate at first. But I am much afraid that "open competition" would mean competition in bribery as well as in goods; and it would not improbably end in two or three firms forming a ring and acquiring a real monopoly, which they would work to their own benefit for all it was worth. But I have already detained the Committee too long, and will only add in conclusion that, in spite of all the opposition, the society claims that during its short life it has, firstly, secured for the soldier cheaper goods and better value for the money. If you will accept the letters put in from a Commanding Officer of the Guards and of a line battalion, who were amongst our earliest customers, you will admit, I think, that this claim is well founded. Secondly, we assert that we have secured pure administration, at any rate so far as our customers are concerned. Thirdly, we have helped officers by introducing an independent source of supply when, to quote the statement previously made, they could be sure of being well served without suspicion of gain to anyone, and by initiating a system under which the risk of canteen scandals is reduced to a minimum. Lastly, the society has benefited a class which it is generally represented to have injured greatly, namely, local traders. It is a fallacy to suppose that local traders have any great share in the supply of canteens. A careful inquiry made some few years ago shows that 70 per cent. of the trade is in the hands of general suppliers, whose business is confined to no particular neighbourhood, and but 7 per cent. in the hands of local grocers. The remaining 23 per cent. is the proportion in the hands of purveyors of necessarily local supplies, such as bread, vegetables, &c., which continues irrespective of any change in the management of canteens. But the corruption in the old system of management and

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the necessity for bribing canteen stewards made a heavy tax on these local traders, and, to my knowledge, they rejoice to be delivered from it, as they are under our co-operative system. I need not say that I

shall be most happy to answer any questions; but I would suggest that the Committee should now take the evidence of Mr. Heygate, who will supplement my statement by details as to the working of the society.

Mr. C. B. HEYGATE called and examined.

5392. (*President.*) You are Secretary and General Manager of the Canteen and Mess Co-operative Society, Limited?—Yes.

5393. What is your connection with the society?—The society was started in 1894, and I joined in 1895, having previously been for about 13 years in the City. My whole career has, therefore, been a commercial one. Testimonials on joining the society are produced. I took up the appointment on a salary of 130*l.* a year, as I believed in the future of the movement, and at that time was entirely dependent upon what I could obtain from it. My pay has been raised as the society became larger; but two years ago I succeeded to some property, which makes me absolutely independent of salary. Statements have also been made that the society, being at the end of its tether, wishes the War Office to take it over. I wish to emphatically deny both statements; and in proof I submit the present report, where, though it is admitted that the society has made a loss owing to the war, the offer of Mr. Herring and Mr. Bischoffsheim, referred to therein, removes all cause of anxiety in regard to finance and acquits the society of working for its own glorification.

5394. What is the nature of the offer?—Those gentlemen have practically guaranteed us, without any security whatever, any money which may be necessary to keep the society going. I also wish to remove one further misapprehension about the committee. It has been frequently stated that they are serving either because they are heavily interested pecuniarily or because they hope to get some personal benefit from it. Out of a committee consisting of 26 members, the total amount of shares held amounts to 460*l.*, distributed as follows:—Lord Ebrington, 20*l.*; Major F. Morris, 20*l.*; Colonel Atwell Porter, 20*l.*; Mr. H. M. Ramsay, 200*l.*; General Mildmay-Willson, 200*l.* The committee give their services absolutely gratuitously, and only the first-class railway fares are paid when members attend from a distance. In asking you to receive a statement from me, my object is to try and prove to you that the society I have the honour to belong to is, in spite of anything you may have heard to the contrary, beyond suspicion as to the integrity of its aims; and, secondly, is not inefficient, but has, on the contrary, succeeded to an extent far beyond the expectations of many who foresaw the difficulties it would encounter; and, thirdly, that even if its proposal for the future continuation of its work is not perfect, it is the best scheme yet produced, and that the advantages it offers far outweigh the objections. If, in the course of endeavouring to place the question clearly before you, I should unintentionally appear to cast reflections which are not justifiable and which appear to be vindictive, I beg the Chairman will at once call my attention to it, as nothing is further from my wishes; and I am, for this very reason, abstaining as far as I can from mentioning any names or places, though if called upon to do so by you I am prepared to satisfy you as to the correctness of my statements. The task is a very difficult one, as it appears to me essential that the failure in the reforms attempted up to now in the management of the regimental institutes must be clearly understood, and how, although the Army in many respects offers an almost unique field for co-operation, the scheme is apt to be wrecked by some small details in its working or by the numerous objections raised by persons not appreciating the real issues at stake, or interested in its defeat. The society's trade for the first years of its existence was as follows:—For the year 1894, 4,723*l.* 6*s.* 2*d.*; 1895, 36,103*l.* 5*s.* 6*d.*; 1896, 62,292*l.* 7*s.* 5*d.*; 1897, 102,357*l.* 3*s.* 10*d.*; 1898, 139,684*l.* 14*s.* 2*d.*; 1899, 211,483*l.* 10*s.* 9*d.*; 1900, 265,087*l.* 5*s.* 11*d.*; 1901, 126,812*l.* 0*s.* 9*d.* The question has been frequently asked why no return of profits has been made. The answer is, that when the society came into existence, the prices charged by the contractors were far in excess of what they are now, and the committee thought that by reducing the prices some 10 per cent. there would still be a handsome return after the payment of working expenses. They did not foresee that the big contractors would endeavour

to kill the society, and would not only reduce the prices 10 per cent., but actually at one time to what was below a living profit.

5395. What do you mean by "living profit"?—I mean to say no contractor could have done the canteen trade alone.

5396. You mean that the contractor was supplying articles through the canteen below cost price?—Below cost price.

5397. (*Major-General Eaton.*) When you say no contractor could have done the canteen trade alone, you mean unless he had other business?—Yes; no firm could exist doing canteen trade alone at those prices. However, in spite of all this, the society more than held its own, and, previous to the war, succeeded in laying out something like 5,000*l.* in extensions. It would have by now been in a position to commence returning profits but for the war. The society also met with many difficulties which it did not anticipate. (1) There was the absolute want of knowledge of co-operation in the Army; and the almost impossibility of making officers understand the subject has been another great difficulty. Incalculable harm has been done to the cause of co-operation by such institutions as the Army and Navy Stores which, using the word "co-operative" in a wrong sense, have established a belief that co-operation is a good thing for the shareholder and a bad one for the consumer, whereas the very essence of co-operation is that the consumer should be the shareholder and that there should only be one pocket to be considered. (2) Great difficulties were also experienced through the discredit thrown upon the society's supplies by the action of stewards and others concerned with the working of the institutes. It was a frequent thing for stewards to receive our goods, perishable articles especially, to ill-treat them or to keep them too long on hand, so that they turned bad, and to produce them as evidence of the faulty work of the society. For instance, in the early days of the society a quantity of bacon was dispatched to a canteen. This bacon was what is usually known as "rolled shoulders," which are tied with string to keep them in shape. A complaint was received that the bacon was bad and being returned. On its receipt we were astonished to find that a larger quantity had come back than had ever been sent, and on the matter being investigated carefully it was discovered that the bacon was tied with a different knot from that which was used on that supplied by the society. Plainly dishonesty was at work here. Fresh butter would also be ordered in large quantities, and not issued in the order received. This we only proved by dating the boxes inside. Stewards, again, would delay the issue of orders sanctioned by the officers in authority; and thus complaints would arise as to the non-execution of orders. About the year 1896 a change was introduced in certain districts, by which, instead of each regimental institute ordering its goods from whatever source of supply it liked, the whole of the supplies for the district were put out to contract. This, of course, was dead against the society's principles; but inasmuch as it would have debarred such institutes as were members of the society from drawing their supplies from it, we were compelled to accept the system, and at first met with some success in obtaining contracts. But we found that, when once obtained, they were very difficult to work, for the following reasons:—(1) The system was unpopular with the officers, as it removed from them the freedom of choosing the source of supply, without any compensating advantages of relief from the details of the work. (2) We had to combat the opposition of the stewards in an aggravated form. In the first state, we had the officers supporting us, but now the officer, in many cases, was also against us, owing to his dislike of the district contract system. In proof of the difficulty I would mention two cases. A steward induced his Commanding Officer to reject and bury as unsound some tins of salmon and some bacon. I telegraphed to the society's manager on the spot, from whose depot the goods had been supplied, to insist on the

goods being unearthed; and they were subsequently taken to the General. It was discovered that the tins of salmon had never been opened, while the bacon was pronounced by a meat inspector to be fit for food, and was eaten both by the General and by the inspector. I do not know whether the steward was reprimanded; at any rate, he remained at his post; and within six months a further scandal arose, it being stated that men had been poisoned by goods supplied by the society. A court of inquiry was held, and it was conclusively proved that the goods were sent to the society's depôt and were issued from thence to the various canteens. The remainder of the consignment, including some not issued at the depôt, were analysed and found to be free from poison. The manufacturers had the whole of their factory inspected and samples taken, and no trace of poison could be found. Detectives were employed, and a report was issued. The society was officially informed that no blame attached to them; and there was little doubt as to who was the guilty party, but there was not sufficient evidence to convict him. The steward was none the less still allowed to remain in his place. In further proof of similar practices, I should also like to read you extracts of a correspondence with another district, and a comparison of the prices of the society's tender for one of the canteens when the district contract ended there. On the 17th December 1900, I wrote to the Chief Staff Officer at a letter, in which I said: "As regards the specific complaints contained in your letter, No. 2 appears to me the most serious, i.e., complaint that married families bought outside because they could get better value; as the society do not consider that the highest class of goods are within reach of the soldier, but that a good sound article should be provided at the lowest possible price, such an allegation seemed to show that the society was not giving the best value. I therefore asked the Secretary of Canteen Supplies to select certain articles as a test, and to be good enough to accompany me to any retail shop and make the purchases, which he did at , and further samples were subsequently purchased in , and all compared together before the C.O. of the A.S.C., with the result that in no case was the quality of the outside purchases pronounced superior to that supplied by the society, and in only one case equal, i.e., Lipton's loaf sugar, while in all cases prices were very much in favour of the society." I also said in the same letter in reference to packing: "The chief complaint came from , where I was shown some goods in a damaged condition. It should not be necessary at all to pack goods for such a short distance"—the depôt was within half-a-mile of the canteen—"and it was clear that the goods shown to me had been disgracefully handled, but there was no evidence, beyond the canteen manager's word on one side and the carriers on the other, to say who was to blame. I was shown tins of coffee, the bottoms of which had been broken in, while the tops, which are only held on by paper, were intact, also three bottles of pickles without capsules; and on turning out the whole stock in the depôt subsequently, I could not find a single bottle in this state. There was also a large bottle of vinegar half empty, but which, when held downwards by me, showed no signs of leaking. I have pointed out these matters in detail to show how difficult it is to locate responsibility." In answer to this I went through the whole district, and it was just the same wherever I went; they said they could buy cheaper, but we proved they could not. I may read this answer which I got: "With reference to my letter to you of the 27th November and your reply of the 17th ult.—which is what I have been reading to you—"the G.O.C. does not consider further action is necessary," meaning, I take it, that my statements were accepted.

5398. There was no change; you were allowed to continue?—We continued up to the end of the year at—. At that time they reverted to the regimental system; but in reverting to the regimental system they sent out a long circular letter round the district in which it was stated, "At the expiration of the existing contracts the General Officer Commanding intends to discontinue the system of district contracts now in force in the District." Then he says, "He wishes it, however, to be understood that he expects to find in all units that the greatest care and supervision are given by all concerned to the proper management of these institutes. If this is properly attended to there will be no difficulty in maintaining

"the present satisfactory state of both price lists and samples," which I think was a fair testimonial for us, we having held the contract for two years. The district system was unsatisfactory also, owing to the fact that prices of perishable and fluctuating articles were fixed for the period of a year, with the result that when the outside prices became cheaper than the contract prices the men complained that they could buy better outside than they could in the grocery shops of the institute. When the case was reversed—when for instance butter was worth on the open market 1s. a lb., and was obtainable in the canteen at 10d., the sale increased to such an extent that we were satisfied on more than one occasion that it was being bought in the institute and sold to civilians outside. In order to remove this difficulty, I succeeded in introducing a clause to get the prices of such goods as were known to fluctuate revised monthly, on production of market reports showing that such alterations were justifiable. This clause was subsequently abused and used as a lever against the society by others, who, tendering at impossible prices, relied on the clause to enable them to re-adjust the matter later. Only ten days ago this form of letter was sent to the Brigade Major, Brigade of Guards: "I beg to request your sanction to the alterations in canteen prices for St. George's Barracks and Pirbright Camp for April as per attached list." The D.A.A.G. for Supply Inspection commented as follows: "I do not think any alteration should be allowed in the prices of canteen supplies during the continuance of a contract, as it opens the door to various abuses. In this case the changes would be to the advantage of the soldier; another case might arise for which this would be a precedent which might be to his disadvantage." The Brigade Major puts, "Kindly see remarks of D.A.A.G.S.I., but it would appear that if his recommendations were adopted it would be the same in the end owing to the quarterly return of profits."

5399. Did they object on principle to your taking advantage of the fluctuation of the market even when these fluctuations were in favour of the men?—Yes, because they argue if we do it one way we may work it for our own advantage instead of for the advantage of the men.

5400. That you may put up the prices against the men?—Yes.

5401. They want to know where they are for six months?—And I say that is an impossible way of working a retail shop.

5402. Your argument, as I understand it, is that it is desirable to take advantage of the fluctuations of the market because the men get all the profits?—And more than that; unless you keep your prices more or less on a par with the outside prices you get complaints if the market goes against you, and if it is the other way people buy more than they ought to do. The soldier may be tempted to do a little trade on his own account.

5403. (Colonel Bridge.) The shops outside might be actually selling cheaper?—Yes. Subsequently, the calling for tenders, to my mind, became a mere matter of form, owing first to the difficulty of comparing prices and getting a businesslike board to deal with the matter. In proof of this, I will mention in connection with one contract that tenders which had to be put in at 12 o'clock on a certain day were settled a few minutes afterwards. I had also reason to believe that the tenders were tampered with. A proof of this came unexpectedly before me recently, and is at your disposal. It was also quite clear that it was not a question of prices which decided the allotment of the contracts, as I can show, if required, from the analysis of one of the district contracts. The society made a serious attempt to introduce co-operation in the Western District, which, if it had been successful, would have been a basis which might have been extended to the whole Army; and, as this is a very complicated and important matter, I would ask to be allowed to read a written statement of the subject, which I shall be glad to hand in. It has been frequently stated that the district system did away with corruption. I am quite clear that it did not do so, but at the best only altered the form of it. It did away, perhaps, to some extent with the direct monetary payments to the stewards, but it certainly did not prevent the employment of undue influence to allot contracts, doubtless in return for pecuniary or other considerations. Original letters proving this are at your disposal. Evidence on this head is most

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difficult to obtain, but brewers, butter merchants, and contractors have come to me unasked and told me in confidence of cases which, with the above evidence before me, I cannot but believe. I have written to some of them and asked them to come forward and give evidence, but they have absolutely refused to do so. They say no advantage can accrue to them by confessing what they have done in the past, while it may prevent them from ever being able to do anything in the future.

5404. (President.) I do not quite understand what you mean by "the employment of undue influence to allot contracts." Under the district system the G.O.C. and his staff of officers make the contract, do not they?—They do nominally.

5405. I want to know from you what is your experience of the working of that system?—My experience is that it really devolves upon clerks and others.

5406. You mean to say that the officers are not experts?—Not always; they are in some cases. I would say that the officers, as a rule, have neither the time nor the knowledge, and that the practical working is done by the non-commissioned ranks in some form or another. It is very hard for me to tell you exactly how it is done.

5407. In order to obtain the contract these men whose advice is sought for by the officers are approached improperly?—Yes.

5408. And these private traders, brewers, butter merchants and contractors come to you unasked and told you little incidents in their past experience which justifies you in making that statement?—Yes, I also wish to draw your attention to the share list of a big contractor, which I obtained from Somerset House, in consequence of certain rumours which had reached me. I would point out that if there were any objection to officers having shares in my society, such objections cannot but apply in the case of this contractor. What I particularly wish to bring to your notice is the fact that there are canteen stewards, quarter-masters and quartermaster-sergeants holding shares in amounts which, in some cases, it is hard to believe can be the result of their honestly earned savings.

5409. Have you a list of their shareholders?—Yes.

5410. Will you put that in [*list of shareholders is put in*]?—Yes.

5411. You stated there was a rule in the War Office against officers having a share in your society; is that still existing?—No, it has been withdrawn by the Adjutant-General's orders. We were not officially prohibited, but we were told that it was far better that officers on active service should not hold shares. That was at the time when we first took over a district contract and in consequence of that we did redeem a great number of shares held by officers. But we afterwards raised the question in a letter we wrote to the Adjutant-General, asking for a decided answer, and now he has stated that there is no objection to officers holding shares.

5412. And there is no objection to officers holding shares in private firms?—None whatever.

5413. According to your experience, is the holding of shares by officers in such firms as Lipton and Dickeson at all general?—I see it is in Dickeson's; I know nothing about Lipton's.

5414. Why do you say it is in Dickeson's?—I have brought a list of the shareholders; that was the firm to which I was referring.

5415. Have you analysed the list of Dickeson's shareholders?—I have made a rough analysis and I find that, out of 125,000*l.* offered to the public, 25,000*l.* odd was taken up by the Service in the following proportions, roughly: 21,500*l.* by officers, 1,810*l.* by 10 canteen managers (I am giving the amount in money, not in shares), non-commissioned officers, and warrant officers 1,125*l.*, four messmen 205*l.*, and six soldier clerks 353*l.*

5416. What is the date of the share list?—19th October 1901. District contracts being unpopular and the regimental system having broken down owing to the war, a system of tenant canteens has sprung up, and the society have in consequence taken up many of them. This system of tenancy, as you are doubtless aware, is popular in the Service, because it relieves officers from much work which is distasteful to them. It is also to be recommended, since it

restores to their duty a large number of men who are paid by the State to be soldiers, and who were not available for their work, as they were employed in the canteen. But this tenant system constitutes, in the opinion of my committee, a very grave danger, and, unless worked on co-operative lines, is capable of infinite abuse. In fact it is a retrograde movement, the evils of which were so great in the past that the cumbersome regimental system was initiated to remove them. It is stated that, provided the tenancies are put out to contract and proper supervision is paid to the quality of the goods, there is no reason to anticipate a return of the old evils of tenancy, and that by so doing competition is secured—but the facts do not bear this out. First of all, I would beg you to consider what are you going to contract for? I can conceive that nothing else can be fixed to form the basis of the contract beyond (1) a monetary rebate or rent, and (2) the retail prices. As regards the rebate, it has been my constant experience that, in spite of what may be said to the contrary, the amount of rebate is what weighs most with Commanding Officers. "How much money shall I have to spend every month on my regiment for the benefit of my men?" But inasmuch as the bulk of this money is made, and can be made only through the sale of drink, no conditions to my mind can possibly be framed to prevent the contractor developing the most profitable part of his trade. I would also point out that the amount of profit attained in the institutes varies enormously. First, it varies on account of the consumption of drink as compared with the consumption of groceries; secondly, it varies according to the situation of the various buildings of the institute; for instance, when the different departments are far apart, a much larger working staff is required than when they are close together. Thirdly, it varies according to the station. At some stations the external attractions are such that the men do not spend their money in barracks. Again, a regiment of old soldiers spends much more on malt liquors than a new regiment consisting mainly of recruits. To give some idea of how much rebates can vary, I may mention that I have been able to make as much as 4*s.* 4*d.* a man per month, whereas I have had difficulty in small canteens in getting as much as 9*d.*

5417. Where was the 4*s.* 4*d.* a man per month made?—It was, I think, at Wellington Barracks, one particular month.

5418. (Colonel Bridge.) Do you include the beer as well?—Yes. Moreover, the same institute will frequently vary from month to month. I have often been asked why it is that I am only able to give so much rebate at one place, when I have given so much more at another. As regards the retail prices, how can you expect these to be fixed for any period? I pointed to this difficulty in connection with the wholesale supply under the district contract system. Now, in that case there really was a remedy, had officers been willing to apply it, namely, that they should have altered their retail prices and stood the risk of the fluctuations themselves—I do not mean personally, I mean out of their canteen. I do not know whether I make that quite clear. We, as suppliers, would supply him with bacon at 60*s.* a cwt. all the year round, and if the market altered the officers could alter their retail prices so as to be more or less on a par with the shops. But in this case there is no possible remedy, and I would ask you what retail shop could exist that had to fix its retail prices for six months in advance for such articles as bacon, butter, or cheese, &c., the wholesale prices of which are constantly fluctuating. This is a matter which cannot be overlooked, and, in fact, this system must bring any contractor into trouble. There are other points. One Commanding Officer is content with smaller profits than another, and therefore prefers to allow his men to have their groceries as cheap as possible, sometimes at cost price or under. The great object of another will be to show the largest possible profits. I do not see why, under a system of co-operation, they should not be allowed to do so, but under a system of contract it would be impossible, since the tariff is absolutely fixed by the contractor. To my mind the whole system of rebate is wrong, and we have only been driven to adopt it by the action of our opponents. In proof of this I beg to submit to you a form of contract used by this society (*see Appendix A.*). I originally drew it up without any fixed rebate at all, merely undertaking to supply the goods at our ordinary cost prices (the Commanding Officer fixing his retail

prices), to keep accurate accounts, to deduct from the retail profits of the institute the working expenses, and to hand back to the institute whatever balance might remain, together with a monthly statement. There are some institutes which are content to work on these lines, but the great bulk of them say, "Oh, you must guarantee something," and therefore we have to do so. This is not a satisfactory solution to my mind, as it may be urged that the society can charge whatever it likes in the first cost of the goods against the institute. At the present moment the regiment is fairly well safe-guarded by the fact that the society's price list is published, so that it can be easily compared with those of Army contractors. But if this system were extended to ordinary contractors there would be no real check upon them; and it was for this reason that in my proposed scheme for the Western District, to which I alluded above, I offered to disclose the actual cost price of the goods and charge a per-centage to cover the working expenses of the society. Now, in a universal system of co-operation for the Army, this difficulty would disappear, for even if the prices charged in the first instance were too high, the profit must return to the consumers in proportion to the trade of their regiment, so that no injustice can be done. At the worst there can be merely a postponement of distribution of a portion of the profits till after the accounts of the parent institute are completed. It has been urged that such a system would be a monopoly. To anyone who understands co-operation this word is meaningless. I would like to put in at this point the society's pamphlet on the canteen question, and also draw your attention to a letter in the "Spectator" of the 29th of March which deals with the matter much more ably than I can. I would also impress upon you as strongly as I possibly can that the regimental institutes are drifting very rapidly indeed into the hands of a monopoly, over which you can have no control, and which can have no other object for its existence than profit for the shareholders. If you will be good enough to make inquiries I think you will find that at the present moment the following districts are held entirely by a single firm: The Southern, the Western, the Curragh, the North-Western, and the Dublin. I should say, at a rough guess, that about two-thirds of the balance of the trade is also in the same hands, and this in spite of your advertising for tenders and throwing them open to what is called free competition.

5419. (President.) What is that firm?—R. Dickeson & Co. I do not for a moment offer any opinion whether these contracts have been obtained honestly or dishonestly, or whether the troops are well or badly served by them; but it is quite evident that there is neither free competition nor healthy competition under your present system. The position to-day at the very best is that if a Commanding Officer wants a ton of sugar he practically has to go to one or other of the three or four contractors doing Army trade; whereas if the Co-operative Wholesale Society wants a ton of sugar to day it invites quotations from the whole of the market. Hence if a central organization were established there would be the freest and most open competition imaginable.

5420. Why do you mention the Co-operative Wholesale Society; for this is your first reference to that society?—I mention it because it is pretty well known in the Army that we are affiliated to them.

5421. Do you get your goods from them?—As much as we can with advantage we do. It varies a great deal.

5422. You say the General Officer Commanding, if he wants a ton of sugar, is limited in his choice to four contractors?—Yes, practically.

5423. He can advertise for tenders?—Yes, supposing he wants to, but it does not pay him to advertise for tenders for all his little requirements for his regimental institute; his trade is too small. He therefore goes to the three or four people that he knows are doing Army trade, and that is what I wanted to convey.

5424. Whereas the Co-operative Wholesale in buying sugar buys in hundreds or thousands of tons?—Exactly. Another objector states that such a system as I advocate necessitates compulsion. This is an ugly word, and at first sight carries an exaggerated weight. I am in favour of compulsion, but only to the extent necessary to secure uniformity, economy (a vast waste is now going on), and a permanent system; and

I would remind you that you have compulsory issue of bread and meat. It may be said, "Yes, but it is a free issue," but is not the messing allowance also a free issue? And I would remind you that it is practically compulsory that the messing money be spent in the institute, and there are many compulsory regulations governing those institutes, which I presume the War Office justify on the assumption that they provide the premises.

5425. What do you mean by the messing money?—3d. a day.

5426. Which is supposed to supplement the ration?—Yes; that is always spent in the grocery shop.

5427. Your argument is that if the bread and meat on which the soldier depends for his maintenance are bought from a single source, the groceries which are purchased with the soldier's 3d. may also be supplied from a single source?

5428. (Major-General Eaton.) The meat supply is not a permanent contract?

(Witness.) No, but it is one organization that runs it all.

(Colonel Bridge.) The Army Service Corps practically.

5429. (Major-General Eaton.) They buy it?—The Commanding Officer has no choice about it.

5430. (President.) I understand your argument is, it is necessary to a soldier to spend 3d. a day in order to keep himself in efficiency, and that the groceries he is supposed to require should come through very much the same sort of organisation as his rations do?—Yes, or that there would be no hardship in contemplating that; you have to do it in certain cases.

5431. (Colonel Bridge.) The bulk of the canteen grocery trade is the messing trade of the single men—I should say 75 per cent. of it?—I should think perhaps not quite so much as that.

(Major-General Eaton.) You mean his grocery for messing is about 75 per cent. of the whole dry canteen?

(Colonel Bridge.) Yes.

5432. (President.) These groceries you would regard as necessities, not luxuries?—They are on the dividing line.

5433. (Major-General Eaton.) They are absolutely necessities, are they not; a man could not live on meat and bread alone?—No, he could not. On the other hand, he may expend his 3d. on pickles and jam as well as on potatoes, tea, and butter, which are absolutely necessities.

5434. He gets his meat and bread ration, and he is compelled to spend 3d. a day on his groceries?—Yes.

5435. (Captain Boehmer.) I have made a calculation, and I see that with a regiment of 800 men the turnover for the grocery ration alone supplied by the dry canteen would be 10l. a day; that would be 3,650l. a year?—Yes.

5436. In a regiment about 800 strong what is, roughly speaking, the gross turnover of a dry canteen?—I think you may generally take it about 1l. a man a month; that would be 800l. a month; you must deduct the sale of beer from that.

5437. But I am talking about the dry canteen alone?—800l. is the total turnover, roughly speaking, including the wet; and I think you may take it that on 800l. the wet would probably be about 200l. Statistics have altered very much recently.

5438. My question was what is the turnover of the dry canteen? At 3d. a day for 800 men the grocery ration alone give a turnover of 3,650l. a year. Can you tell me what is the gross turnover of the dry canteen, as what we want to get at really is the proportion of the grocery ration as compared to private sales?—It varies very much. I think what Colonel Bridge said was quite right. I think he said about 75 per cent. of the dry canteen was money spent on messing, and I should think that is pretty fairly correct.

5439. (Major-General Eaton.) Have you your takings of the Wellington Barracks for a month?—Yes.

5440. That will give it to you?—Yes, but I am not sure whether they are divided up. I could with pleasure give you the statistics at another time. There is

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another computation, namely, that of the Commanding Officer, who decides where the goods are to be procured. If compulsion is the objection, surely it should be the purchaser who should object, not the Commanding Officer. Again, if a member of your club finds the butter bad, he writes to the Committee, and if he gets no redress he does not throw up the club, but endeavours to oust the committee or steward, and that is what would occur under our scheme. The Commanding Officer would make representation to his central committee; instead of each Commanding Officer acting independently, they would act jointly, and consequently with greater increased weight. One great question which affects, I consider, vitally the whole matter (if as a civilian I may offer an opinion on a matter of regimental administration) is, to what extent is it advisable or necessary that the canteen profits be at the disposal of the Commanding Officer. If he can do without them, we can soon show the soldier the advantage of co-operation by giving him direct proof of pecuniary gain; if this is impossible, Commanding Officers surely should not condemn our system, which must in the end increase their profits. Others, again, urge that officers are not capable of doing this work. I quite agree that all officers are not capable of doing it, but, speaking as a civilian, I should think it a great insult to the Army to say that half-a-dozen level-headed officers cannot be found able to select an honest, expert staff, and to keep them to their work. I would ask you to bear in mind that only under the co-operative system can you possibly hope to bring about any permanent improvements in the conduct of regimental institutes, as otherwise every case must be judged from the standpoint of how it will affect the pocket of the caterer. Often have I been urged by the canteen inspectors of the society to abandon certain experiments which are likely, if successful and beneficial to the consumers, to reduce the profits and therefore make the society's canteens compare unfavourably with those run by others.

5441. (*President.*) What do you mean by that?—Quite recently we put up a beer engine of a novel description at the Wellington Barracks, the whole object of which was to prevent tampering with the beer and to prevent the waiters giving short measure. The men put a penny or twopence or threepence, as the case may be, into the slot, and they draw their own beer full measure. Directly the unaccountable profits disappeared our inspectors came to say: "We cannot go on with this; it is a loss of something like 17l. a month." But the soldiers like it immensely; it is the first time in their lives they really have got a full pot of beer.

5442. (*Major-General Eaton.*) Cannot they get more?—No, it is a system by which the beer is drawn into a measure which holds exactly a quart, and as they turn a tap it runs that amount out and no more, and the waiters cannot swindle with the measures because it is done by air-pressure, and it must be kept full. Finally, I would urge you, as strongly as I can, that by co-operation, and by co-operation alone, can be accomplished what all well-wishers to the soldier desire. Your regimental system has proved too cumbersome, your district contract system has failed to secure the advantages claimed for it. Your present tenancy system is drifting daily from bad to worse, and at the best is a retrograde movement; and I implore you not to be deterred from recommending co-operation on account of any outcry raised against it, or because the pioneer society may have made mistakes and incurred severe criticism. As mentioned at the start, I have no axe to grind for myself, nor do I hold a brief for my society except so far as I am an ardent, though, I fear, an inefficient, champion of its work. Every reform calls forth a storm of criticism, and sometimes abuse, but as I am sure that the cause my society upholds is the right one, I would willingly incur ten times the abuse I have received in the past rather than that cause should be allowed to fall to the ground.

5443. (*President.*) I understand from your statement you are in favour of bringing the responsibility of the management of the dry canteen as near the consumer as you possibly can?—Yes.

5444. Therefore you think the regimental officer ought to be responsible for the management of his own canteen rather than the G.O.C. of the district?—Yes.

5445. You would like to go even closer to the consumer than the regimental officer, if military discipline made it possible?—Yes.

5446. You would like to get the non-commissioned officers and the rank and file in some way associated with the management of their own dry canteen?—Yes. I would like to temper that down a bit, however. I should like them to feel every penny piece which was being earned, and that the more they looked after the place themselves, the better it was for themselves; but I do not think that they would be good men to manage the thing.

5447. You have to educate them?—Yes.

5448. You have to educate the officers; for the officers, as I understand from your statement, are not acquainted with the co-operative movement?—They are not.

5449. That is the great difficulty you have had to contend with?—Yes.

5450. It has been a new idea to them which they have not grasped?—That is so.

5451. From your evidence it would appear that you would like to make it compulsory for the regimental officers to go for their goods to the Canteen and Mess Society; that is what you would like if it were possible?—Yes, only I would rather drop our name.

5452. I will say some co-operative organisation?—That is what we want.

5453. Your object being to set up an organisation which will secure for the soldier every penny of profits made out of the supply of goods to him?—That is so.

5454. And you think it would be desirable to make it compulsory for each unit to get their goods from such an organisation?—Yes, I think it must be for this reason—that you cannot get any kind of uniformity unless you have some kind of compulsion. A most tremendous source of loss and waste is the changing of the supply every time a regiment moves.

5455. That is self-evident; but although you think it would be desirable to compel the canteens to obtain their goods from a co-operative organisation, you, with your knowledge of human nature, know that if you try to compel a free agent to adopt your view of what his interests are, even though you may be better informed than he is, he will kick against it?—Certainly, I quite agree with you there.

5456. Therefore, you cannot endeavour to impose any reform system from above, it must grow up from beneath if it is to be successful; and I have been very much struck by the figures you have put in, in your evidence, as to the extraordinary growth in seven years. I understand that your turnover has increased in seven years from 4,000l. to a total of 265,000l. before the dislocation occasioned by the war?—That is so.

5457. Those figures show that before the disturbing element of the war came in you were steadily increasing your business, and yet there was no compulsion upon any regimental officer to go to you for his supplies?—There was, to some extent. Supposing we had a district contract—that very system which we disliked brought us a great acquisition of trade at the time. We were successful tenderers to the Southern District, and the Western District, and so on. Of course it cuts both ways, and now it is cutting very much against us. There are certain regiments; one comes to my mind at Portsmouth, which we were dealing with, and which was anxious to deal with us. They go to Portsmouth and find there is a district contract, and they cannot.

5458. Owing to your having obtained a district contract, you got a large slice of trade through the principle of limited compulsion?—Yes.

5459. You advocate getting rid of the district contract system, and leaving full discretion to the regimental officer; now, do you not think that, as it becomes better known that you are an organisation very carefully thought out, which aims at meeting the interests of the soldiers absolutely and exclusively, regimental officers, as they become acquainted with the working of the co-operative organisation which has been so successful with the industrial classes, will be more and more inclined to throw their business into your hands?—I think they will; but then you have got a very dangerous time to bridge over. It is not like an ordinary trade. This trade has got into the hands of a few people; and the consequence is the ring is far harder to work against than it would be if a small co-operative shop were put down in the middle of a town.

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5460. You are afraid that you will meet with great difficulties in competing against an organised ring outside?—Yes, I say so. I should like to make this point also, if I might—that our difficulty is vastly increased in this way. A certain person may be commanding a regiment to-day, who has thoroughly mastered our principles, has joined us, is dealing with us and is quite satisfied in every way. But that Commanding Officer is promoted or retired, and a successor comes from somewhere else. Then I think I may say the general idea is: “What my predecessor did is sure to be wrong; I must go one better.” And frequently, when we have had regiments for years, a Commanding Officer who knows nothing about our system comes from India, and we have got to start again.

5461. That shows, does it not, a very intelligent desire on the part of the officers to do the best they can for their soldiers?—I am not saying otherwise. I am only saying it takes longer to get this understood and to keep a permanent trade than it would do if a Commanding Officer went on for ever.

5462. You refer to the difficulty of holding your own in competition against outside firms, owing to the prevalence of corruption with canteen managers?—Yes.

5463. And it is your experience that the canteen managers have very great influence over the officers who have supervision of the canteen?—Yes.

5464. It is a case of the expert dealing with the amateurs?—Yes. A canteen manager wants to get rid of a certain firm. He has only got to go day after day making complaint of some little thing, and unless the Commanding Officer has the patience of Job, and the strength of I do not know who, he cannot stand against it.

5465. Therefore your contention is that if you abstain from the practices resorted to by your competitors you cannot hope to maintain your trade unless it is made compulsory; that I understand to be the gist of your evidence on this point?—There is one thing which makes it awkward. We are passing to a tenant system, and when you pass to a tenant system the canteen manager's position is entirely changed; he is gone; he is the employee now of the supplier, and therefore that form of opposition disappears.

5466. Then corruption is not an obstacle in your way because you employ your own people?—Under the tenant system it would not be—I mean the corruption of the canteen steward would not.

5467. If you once got your trade from a regimental officer you ought to be able to keep it; it is no longer the interest of the canteen manager, who is your own employee, to resort to those practices you have been describing?—Yes, that is so. But then this difficulty comes if you are going for a tenancy; are you going to have a contract; it all comes back to this wretched monetary rebate. If the regimental system had gone on, I have not the slightest doubt the society would have gone on steadily increasing.

5468. You attach so much importance to the prevalence of corruption of Army contractors that I want to be clear on that point. I understand from you that wherever you get a tenancy contract that disturbing element disappears altogether?—Yes, that is so; we are met with another disturbing element then.

5469. So it comes back to the statement with which Lord Ebrington started. Two incidental advantages would result to the soldier from dealing with your organisation; the first is that you do away with all temptation to corruption between Army contractors and canteen managers; and, secondly, you would secure the whole of the profits which are now made by the wholesale agents for the benefit of the soldier?—Yes.

5470. Have you the expert management which would enable you to meet the requirements of the soldier as advantageously as outside firms?—Yes, I say we have. I do not say we have at this moment, because owing to our decreased trade we have naturally cut down the staff. But I do not mean to say it is an obstacle. You mean, are we as businesslike? Now I say in certain ways we are far more businesslike; in others we are less. Since this society started we have had to move four times, and we have had to combat with three different changes of system.

5471. Why did you have to move?—The society began in a little place down in Leman Street. Within a year and a half they found the premises were too small, and they moved to another place called Imperial

Buildings, Leman Street. I joined them about a month or two after they got into this building. Within a year the premises were too small, and we came up to a music-hall in Westminster, believing we were going to get a renewal of the lease; but we could not get a renewal; the place came down, and we had to build. All that, of course, meant upsetting our arrangements and giving us a bad name. Then we had to work with three different changes of system: first the regimental system, then the district contract system, and now the tenancy system. This is a young society—only seven years old—and it has had all these troubles.

5472. (Major-General Eaton.) But that applies to these other firms?—They have been going on for many years.

5473. (President.) You have had the difficulties incidental to the growth of a new business; you have been making your business, and have had to face a certain amount of loss in building it up?—We have had to change our face so many times with this change of system. We began with the supply of a regimental system, which wants quite a different organisation to the tenant system.

5474. The wholesale agent supplying a retail dealer; that was your first system?—Yes. Instead of growing gradually we got whole limbs of the trade in these district contracts. In less than a month we had to start a dépôt and everything else, and then shut it up and go away and perhaps lose the contract. Then when we changed to this tenant system we wanted quite a different organisation, for we had then to do the wholesale as well as the retail work.

5475. You have to do the distributive work as well as the wholesale?—Yes.

5476. You have mentioned the Wholesale Co-operative Society. Do you deal largely with them?—We do not as much as we ought to do, for certain difficulties of a personal character have arisen; but these have been removed, and we are now working cordially with the Wholesale Co-operative.

5477. Why should it be necessary for you, when you are dealing with the Co-operative Wholesale, to go to the expense of having large dépôts, when you can draw all your supplies from this Co-operative Wholesale?—First of all their dépôts do not necessarily coincide with the places for military stations; and, secondly, under the regimental system, it was almost a necessity that orders should be executed the very day you got them.

5478. If you could see your way to have a permanent trade you would be able to put up dépôts on an economical basis which would enable you to meet requirements at a moment's notice?—Certainly.

5479. I suppose I am justified in saying that one great advantage of your organisation is that you can draw upon that colossal organisation, the Co-operative Wholesale, without paying for it?—Certainly.

5480. All the profits they make out of trade with you are returned to you?—Certainly.

5481. Therefore your object in forming this Canteen and Mess Association is to bring the private soldier in close connection with the producer through the Co-operative Wholesale?—Yes, it is so, only I think in certain respects we have to be a sort of co-operative wholesale to the Army. There are certain classes of goods (after all it is only a detail) which are not wanted in civil life, but which are wanted in military life.

5482. But as far as the 3d. a day for groceries is concerned, the great bulk of that represents articles which you could purchase through the Co-operative Wholesale?—All of them.

5483. They are the same groceries as are consumed by an artisan family for which the Wholesale Co-operative caters, and therefore in supplying those groceries, which are necessities to the soldier's maintenance, you can employ the buyers of the Co-operative Wholesale, who are purchasing much larger quantities than any private firm in the country, and who are very carefully supervised by an organisation which is run by business men, and who may be assumed to buy with as much brains and character as any other buyers in the country; that is the position, is it not?—That is so.

5484. Now we will assume, for the purposes of argument, that the district contract system is abolished

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and every regimental officer is encouraged to do the best that he can for his own soldiers; then the regimental officer comes to you and says: "Will you undertake the management of my canteen?" You are prepared to do that, are you?—Certainly.

5485. Where are you going to find your men to manage the canteen?—We have always made a great point of using, as far as we can, old soldiers, because we think we ought to.

5486. You have been upset by so many of them being called away for the war?—Yes, we always give preference to them. We are running several canteens on those lines now.

5487. How many canteens are you running?—In London alone there is Wellington, St. George's Barracks, The Tower, The Guards at Caterham, at Pirbright, and Windsor.

5488. Are you running those with old soldiers?—Yes, all of them. There may be some few civilians in now, but in the ordinary way they would be old soldiers.

5489. We elicited from a witness who gave evidence before this Committee, and who represented the Co-operative Wholesale, that they do have in this country roughly about 20,000 committee men, who are responsible for the management of their own concern, doing for their distributive stores what the regimental officer is supposed to do for his canteen, and that, in addition to these 20,000 men, they have about 16,000 employees in subordinate capacities employed in these distributive societies; that would mean a large body of 36,000 men of more or less expert knowledge, and the witness Mr. Tredel, of the Co-operative Wholesale Society, gave it as his opinion that if we were to hand over the management of the canteen to the industrial co-operative movement of the working classes they could very easily find the men who would be able to manage the canteens throughout the whole of the Army?—I think they would; and I would go a step further and I would say in some ways for the groceries, I find the young hands brought up in these co-operative stores the best men I ever got hold of.

5490. Do you find them more useful to you than the old pensioners?—Yes.

5491. Where would you employ the pensioner, and where would you employ the co-operative grocer?—I should put a co-operative grocer in charge of every coffee bar and of every grocery shop. I do not mind having a certain number of pensioners, just to weigh up and do that sort of work. I think the old soldiers are better in the beer bar. The co-operators are not very fond of going into the beer bar.

5492. You would have a highly trained special civil service for the grocery department—men who have been trained to that business—rather than old soldiers?—Yes.

5493. From your experience, do you think that would meet the wishes of the rank and file?—I think it would, because we should always still give the preference, I take it, to any soldier that proved himself equally good. A good many of them, who come to us with little or no knowledge, after they have been at work for three or four years in the coffee shop or warehouse, are really efficient men.

5494. You say the result of your coming in as a competitor against the outside firms was to knock down prices all round 10 per cent.?—Yes.

5495. And that, if you were to retire, the prices would probably go up as much as you knocked them down?—I think they would.

5496. How can you prove that your action knocked down prices 10 per cent.?—It is very hard to give you documentary evidence about that, because market conditions vary so much.

5497. Still your statement was a very definite statement?—I have a letter here from the Victoria Barracks, Windsor, dated 23rd April 1896, from the Officer Commanding the 1st Scots Guards: "The 1st Battalion Scots Guards has now been dealing almost exclusively with the Canteen and Mess Co-operative Society since last July with most satisfactory results. The quality of the goods supplied has been excellent, and at a price certainly 20 per cent. less than we were formerly paying for the same class of goods."

5498. And you only claim 10 per cent.?—I said 10 per cent. because I did not like to exaggerate.

5499. You have other testimonials to the same effect?—Yes, here is another one from the Royal Engineers at Aldershot: "After three months' experience of the Canteen and Mess Co-operative Society I have much pleasure in informing you that I am fully satisfied with the quality and prices of all articles supplied to us, and also with the manner in which the large orders we have given have been executed." The 2nd Royal Berkshire said: "The quality of the goods supplied has been very good and has given great satisfaction. Local tradespeople have stated they can supply better quality at the same price, but hitherto have failed to do so."

5500. (Major-General Eaton.) Colonel Mildmay Wilson says you saved 20 per cent.?—Yes, and that was before he joined the committee.

5501. He was on it in 1896, was he not?—No, I looked that up before I came, to be quite sure.

5502. He was interested in it before 1896?—He may have been interested, but he was not on the committee.

5503. (President.) Was he a shareholder?—I do not know whether he was then. He now holds 200 shares. Sir Redvers Buller made a statement to the Hon. John Fortescue. Speaking of the society, he said it did extremely good work, and it certainly succeeded in bringing down the prices of the wholesale tradesmen.

5504. Either Lord Ebrington or you stated that, under the articles of association, each shareholder, however many shares he may have, is only entitled to one vote—whether he has one share or 200 shares, which is the maximum allowed?—That is so.

5505. You also stated that in respect of two battalions who were dealing with your canteen society, they had, in respect of the trade done, 70 votes?—Yes, that is so.

5506. I do not quite understand how that is?—They are what are called representative members. Each representative member is entitled to one vote for every 200l. paid, during the previous year, to the society by the canteen, mess, institution, club, or home represented by him, for goods supplied by the society. Therefore if during a year he has done 2,000l. he has 10 votes.

5507. And that rule is applied universally, is it?—Absolutely.

5508. Do you have quarterly meetings or half-yearly?—Yearly now.

5509. At your yearly meetings a regiment is entitled to send a representative who shall on any question on which a vote is taken have a vote for every 200l. of trade done with the canteen?—That is so.

5510. To these general annual meetings do the regiments who deal with your canteen send representatives?—Sometimes they do. Before the war broke out they were beginning to take more interest in it again.

5511. Your point is—and I think it is a fair point—that the consumers can control the policy of your association?—That is so.

5512. And therefore it cannot possibly be run in the interest of the shareholders?—That is so.

5513. And the greater the business with the canteen society the greater is their control over the management?—That is so.

5514. I do not suppose you have been at work sufficiently long for that point to be appreciated by the consumers that you supply?—No, I do not think so. But the moment we came to pay big profits I should say they would understand it better.

5515. One of your great difficulties is an absolute want of knowledge of co-operation in the Army?—Yes.

5516. And it is only fair to assume that as Army officers become acquainted with co-operative principles they will be more favourably disposed to co-operation, as there is every argument for it, and none against it; that is your contention?—Certainly.

5517. And that just as the co-operative movement has grown from very small beginnings to colossal dimensions among the working classes, so you think there is every reason to believe that when the co-operative principle is understood in the Army the movement will grow similarly there, and you say that your own figures of growth tend to prove that?—Yes.

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5518. Do I understand that the working of your system will relieve the regimental officer from the disadvantages of attending to the details of the canteen?—Yes; absolutely and entirely.

5519. Who is going to supervise your manager?—We have a system of inspectors.

5520. Who do you suggest should appoint the inspectors?—I think the Central Organisation should, just in the same way as it does at its canteen.

5521. Who is to take the place of the 'consumers' committee in an industrial co-operative store. There the managers are responsible to a consumers' committee. It is not proposed to appoint a consumers' committee because of obvious difficulties *quâ* discipline. Who is going in your system to take the place of the consumers' committee?—I think I can best answer that by submitting the scheme which I put forward for the Western District which I have alluded to in my evidence. (*The witness put in report on Western District and proposed Tenancy Scheme for Western District; vide Appendix B.*)

5522. Who now supplies the Western district?—Messrs. Dickeson.

5523. I want to know exactly how the system works. You are running on the co-operative system, but you have not the advantage of the working class co-operative movement, which depends for supervision on a consumers' committee, which controls their managers. You are going to put in a manager who is responsible to you, and I want to understand exactly what the character of the supervision is over him to see that he does his duty?—As regards discipline in the canteen it would rest primarily with the regimental officer. Everything else would be on the parent institution, the Central Organisation, who would be responsible to the Commanding Officer. May I just try and explain it by referring to the Wellington Barracks, which is a case in point. The society put in a manager at the Wellington Barracks. The Commanding Officer would report to us any breach of discipline or unsatisfactory supplies, and it would be our duty to immediately investigate and turn him out if the Commanding Officer proved right. But as regards the working—that the goods are sent in properly, and that his accounts are properly kept, and that his working staff is properly looked after—all that falls upon us, the Central Organisation.

5524. Then it is a highly centralised system, and the principle of decentralisation *quâ* local distribution does not apply, and there you have a very vital difference between your organisation and that of the industrial co-operative society?—Yes; you have in one way and not in another. We are rather in the position of being both a wholesale and retail society.

5525. I want, by your help, to find out whether there is not a system by which you can secure the advantages of the decentralised responsibility which you have in the industrial co-operative movement. You are proposing a scheme which is going to centralise the responsibility of the management of the store in a central organisation?—I should not, if I was doing it as a whole. I should have thought you would have one central organisation in London, with a committee of officers—retired officers, or otherwise. That would be the central board of the whole lot. Then you would have in each district your sub-boards, and those boards would be appointed. Take London, for instance, with 10 canteens. The 10 Commanding Officers, or five, or whatever the case might be, would have their own board. The parent institution would provide a manager, or, rather, we will put it the other way round. The Commanding Officers want a manager; they would go to the Central Organisation and get one, and get the expert staff from them. But the whole of the control of this expert staff would be vested in this local committee of officers. They might do anything they liked with their retail profits.

5526. You are taking now the individual canteen, are you not?—No, I think there will be three or four steps, if you are constructing a big system. First, your central organisation; then your local branch, the same as the military district, and from that, again, your individual canteens.

5527. I understand, from your evidence, that you are in favour of bringing the responsibility of the management of the canteen as near the private soldier as you can?—Yes.

5528. But there is the question of discipline, and a regimental officer representing his men is to be responsible for the management of his own canteen. Now, I wish to know from you how you are going to control the manager of that regimental canteen. You cannot do it from your central society, which I understand you to suggest. You must have local supervision?—Yes, I should have. I should have it, through these branches or depôts.

5529. I want to get down to the individual barracks. Here are 800 men, who have been supplied by your canteen. Have you thought out any scheme for obtaining that local supervision over your manager on the part of the men who are interested in the way that canteen is managed?—On the part of the soldiers, do you mean?

5530. I will take the regimental officer as a convenient way of describing the men, because he is responsible for the well-being of his men. Are you now working entirely from headquarters—from your central organisation?—No, we are not. For instance, Aldershot has its own staff at work there.

5531. Take the canteen at Aldershot, of which you are tenant?—We have a depôt at Aldershot, with a manager. That manager takes his goods in bulk to his depôt at Aldershot, and he issues them to the canteen there. All the canteen managers and waiters, and everything else, are under his immediate charge, and he has to render the accounts, of course keeping close touch with the Commanding Officer. His business is to go to the Commanding Officer every morning, or when wanted.

5532. How many canteens does he serve?—That particular manager serves five, I think.

5533. Take one of those five canteens. Who supplies what groceries are required for that canteen. Where does the initial force come from?—The Commanding Officer really, I suppose you would say.

5534. (*Colonel Bridge.*) I think the President wants to know who is responsible for keeping up the stock in that canteen?—The manager in the canteen would be responsible for that. He has to supply whatever the Commanding Officer wants. The primary thing is these messing books. Whatever goods the men ask for in the messing, it is his business to see that they have gone there, and he has to indent at his Aldershot depôt for those goods.

5535. (*President.*) Does the Commanding Officer tell the manager what goods he requires, or does the manager do it on his own initiative?—He does it on his own initiative. He has to keep stock there for the requirements of the trade; but he must not buy these goods. He sends in his indent to the manager of the Aldershot Depôt.

5536. The manager of this local canteen has to keep the stock required for the soldiers whom he serves?—Yes.

5537. He buys where he can through your Canteen and Mess Association; but there are a large number of articles which he has got to get from local men. Now, is he responsible for making all such arrangements?—No, he is not allowed to make any.

5538. Who does?—The Aldershot manager—the depôt manager through us. For instance, potatoes are wanted at Aldershot; the depôt manager's business is to send round to the people in Aldershot, "What will you supply potatoes for for a month?" and he takes the best quality and price, and he tells the steward, "You are to order your potatoes from John Brown this month," and he has to check the bills, and those bills come through to the Central Organisation in the end.

5539. Then there is that very essential difference between your system and the Industrial Co-operative system, that you do centralise the buying responsibility instead of localising it?—Because you see we have to do the two jobs.

5540. Because you cannot get any committee of supervision which will take the place of the consumers' committee in a local store?—Yes, that is practically it.

5541. The reason why these co-operative societies have prospered is because there has been full freedom of action on the part of each local co-operative store as to where they can go for the goods they require, and it

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is their interest to go as a rule to the Central Co-operative Wholesale. Now, I want to know whether in your experience it would not be possible to apply a similar principle to the management of your own Army canteens?—The answer would be perfectly plain and perfectly easy to give you if we had not, by this tenant system being brought in, got the wholesale and retail so jumbled up together that it is very difficult to make a fair comparison between the two.

5542. I understand that although you have the wholesale and retail jumbled up together, you are responsible for the management of each canteen. Have you any suggestion to offer to the Committee whereby you could obtain the co-operation of the men interested in the good management of their canteen?—I think the way I should like to do would be to let the men themselves have the money back direct. I think you would then get their interest very quickly, and I do not think you would get it in any other way.

5543. Would you give them some voice in the control?—I should try to. You would have to go very slowly in that direction, but I think you could do it in time.

5544. You see no objection to doing that. On the contrary, I understand you rather desire it?—I see no objection except this disciplinary one, and that, as a civilian, I do not think I am called upon to answer. I should like to see it done. But I really feel that if the soldier felt that if his store was run well he himself was going to get so much money back that he could do as he liked with, or could see what was being done with it, he would soon take such an interest in co-operation that we should have no more difficulty.

5545. Then what I understand you to say is that you have not had that to consider, because you have been told that these canteens cannot be managed by the men themselves; that they have got to be managed for them?—Yes.

5546. Regimental officers have come to you and said, "Will you manage my canteen for me," and so you have not been called upon to consider how the soldier could be encouraged to take an interest in the management of his own canteen?—That is so.

5547. And your contention is that your society ought to be able to manage the canteen in the interests of the soldier better than any outside contractor who wishes to obtain this trade for the benefit of his shareholders?—Yes, that is so.

5548. (*Major-General Eaton.*) How would it be possible to work the system in that way—to give the money to each man direct, with drafts continually leaving the battalion?—The money could be stored up for him in some sort of way.

5549. Who is going to do the clerical work?—The Woolwich Arsenal Society keeps about 18,000 pass books.

5550. They have their own permanent staff?—We should have a permanent staff.

5551. Then you would have the men continually changing?—You mean to say the books would have to go somewhere else. We should have to strike a balance. It might have to be modified in some way; it could be served out half-yearly or quarterly.

5552. Suppose a man is appointed to South Africa, how would he get his money; he might be sent away in a hurry?—I take it we should make some rules to cover that.

5553. It is very easy to say you would make some rules, but you must have something cut-and-dried before anything could be recommended. It is difficult enough now to get the men's pay in their small account books, and you could not supply them with these books all over the country?—We give them back now a rebate every month.

5554. To the battalion in a lump sum?—But this could be equally divided up among the men.

5555. But you have just been advocating that the individual man should get back a percentage on his purchases. Now you suggest that it should go to his battalion?—No; I beg your pardon. I said that we already had the battalions. I meant to say that the accounts are squared every month, so that that disposes of part of your objection.

5556. That is simply done with the number of men on rations, which is easy enough?—We have not thought

this out very carefully. But the first step would be to distribute the profits to the company instead of the battalion. I know that is done in one case, and, I believe, done very satisfactorily. The Commanding Officer there simply hands over to each company the proportion of the money he receives himself.

5557. A company is often split up; what are you going to do then? The men are sent from a company on all sorts of duties. The clerical work would be enormous, a moral impossibility?—Cannot you treat each mess as a unit?

5558. A man in one company may be attached to another mess?—I know it is a difficult thing, and you will have to go very slowly. I was arguing for an ideal which I should like to see.

5559. In advocating the Central Organisation, is it on the assumption that the War Office take over the mess and canteen?—No. I do not want to see it a War Office concern if you ask me my own wishes. I want to see the regimental institutes independently owning it, like a club.

5560. It is optional for any member to join a club, but it would be compulsory on each battalion to join in this syndicate, so to speak?—If you do not have uniformity how could you do many things that you want to do. You have made up your mind you want the tenant system. I think it is generally accepted that the officers would be glad to get the tenant system. Then you are going to be met with this great difficulty of this constant change.

5561. Where do you differ from any firm that supplies the canteen. Do you show a greater profit to the soldier?—We should do, most certainly.

5562. Why can you say you should do?—Because our working expenses are so much less.

5563. Then why do not you do it now?—I have already tried to explain that. You mean, why do not we return any extra profit?

5564. You do not return a higher profit now. The soldiers in the Wellington Barracks, in your canteen, are in no better position than the soldier under Dickeson?—No, because we are in a transitional stage, and Dickeson and ourselves are both only giving what you may call the retail profits, away. We have not yet earned any surplus wholesale profits but if the war had not come on we should have been already paying a dividend; there would have been the wholesale dividend to come back.

5565. Do you say you would have been in a better position than Dickeson?—Dickeson brings out a company and puts his goodwill at 61,000*l.* Before he does anything else he has got to make interest on that 61,000*l.*, apart from his working capital.

5566. Then last year they showed 6 per cent., and you had to pay your shareholders 5 per cent., so that there is very little difference between the two concerns?—Excuse me, one has a quarter of a million capital and the other 10,000*l.*, and interest on capital has to go out of the business before anything comes back.

5567. (*President.*) You say that some of his capital is watered?—61,000*l.* of it, according to the prospectus.

5568. We made it out he was making 10 per cent. or 12 per cent. on what he supplied to the Army, so that there was the difference between 5 per cent. and 10 or 12 per cent. which you are trying to save for the soldier?—Yes.

5569. (*Major-General Eaton.*) I do not think that was quite the case. Now yours is a compulsory central organisation, with no option to people to buy where they like?—I would rather leave that open if I could. But I do not see how you are going to carry out any reform at all unless you do have some measure of compulsion. You have compulsion in many respects now.

5570. (*President.*) If the advantages to the soldier are so great, cannot you leave it to the option of the regimental officer to trade with you as soon as he is convinced of the advantage?—Then you do not touch a lot of the other difficulties—the difficulty about this change of station. I will try and make it clear in this way. At the present moment we hold one canteen in York, one in Beverley, and one at Scarborough we are taking up to-morrow or the day after. Now that is a most expensive way of working—to keep a proper and efficient supervision of these canteens when they are

spread all over the place. Then, perhaps, after I have got into Scarborough a week, the regiment shifts and has to go away again. There is a loss, which must come out of the contractor's pockets or out of the soldier's.

5571. Somebody has to pay for that, and the soldier has to pay for it. I think you will have to provide the soldier with some guarantee that he is getting the best he can for the money. Suppose you were to hand over the Army to an organisation with admirable intentions but inefficient management?—My answer to that is that the Commanding Officer can always dissolve the society or organisation if it does not work, and I think you must make it work.

5572. (*Major-General Eaton.*) But what is the soldier to do during the process of disillusion?

(*President.*) That is a heroic remedy. Would it not meet your wishes if your growth were to be gradual?—Please understand this. If you gave us our compulsion to-morrow I should be the last person to advocate taking the thing over *en bloc*. I would not on any account suggest it. I do not mean to say that to-morrow morning there should be an order and we should have to take the whole thing over. On the contrary, I say we should break down to begin with. But what I should like to say is that when you have thought out the scheme, have decided that co-operation is the right thing, and that you are going to gradually adopt it, you will begin with one Army Corps, or whatever it is, and as you work out a certain amount of your details you would then go on gradually expanding.

5573. I understand your evidence to be that if every canteen was under your management there would be certain economies of administrations?—Yes.

5574. That is obvious?—Yes.

5575. Knowing human nature as you do, you do not wish to ask every soldier to be obliged to trade with your store if he thinks he can do better elsewhere?—Yes, that is so.

5576. Then you leave full freedom of discretion to the regimental officer, and you can rely upon his coming to you as soon as he is satisfied he can get more for his soldiers by doing so?—But meantime I maintain that tenancies ought not to be allowed. That is where the trouble comes. If it had been left to the old regimental system I do not think much harm would have happened. But if you are going to have a tenant system, and you are going to go for the highest rebate in the meantime, you are going back to just where you were before.

5577. You think you cannot rely upon the officer being sufficiently intelligent to see the ultimate advantage?—I would not say intelligent. What I will say is this. It will come back to what we see is going on at the present moment. Nobody is caring very much except what the rebate is, and they all tell you the soldier has never done so well in his life, which means that the Commanding Officer has more money to spend now than he ever had before. But that cannot go on; it is not healthy.

5578. Is not that very much owing to the fact that the Army has never been brought into direct contact with the co-operative movement, and that officers non-commissioned officers and men, are, as a rule, quite ignorant of its working?—I think that is absolutely so.

5579. You said that one of the advantages of this system would be that there would be no suspicion of the canteen being run in the interests of the officers?—Yes.

5580. And Lord Ebrington made a statement as to the difficulty of contracting at the same time for the supply of the officers' mess and the canteen?—(*Lord Ebrington.*) Yes.

5581. The interest of the contractor might be to forego 1s. per head per day on the officers' mess if he could only secure the canteen contract?—(*Lord Ebrington.*) Yes.

5582. Have you ever had any instance where that has been done?—(*Mr. Heygate.*) I have a letter from an officer telling me there is a case going on at the present moment, but I would rather not put it on the notes.

5583. I should like to inquire into it, because it is an interesting case?—The one I was told of was the

provisional battalion at which the officers are being done at 4s. 6d. a head, and the at 6s. per head. The latter have no canteen though it has the biggest mess?—(*Lord Ebrington.*) I had the same sort of thing suggested to me in regard to the last year.

5584. I understand in an officers' mess where there is no canteen the contractor cannot undertake to supply them under 6s. a head?—That is so. Of course I cannot tell you whether there are any other conditions, but I may say that I have heard of this sort of thing in two or three other cases.

5585. The natural deduction from that is that the officers are making money at the expense of their men?—Unwittingly.

5586. But that is still the fact?—(*Lord Ebrington.*) They are saving money.

5587. They are getting a better contract for themselves?—(*Mr. Heygate.*) Yes.

5588. (*Major-General Eaton.*) We have been told that there are some absolute cases of bribery?—*Among other letters that were privately submitted by the witness with names with a view of proving bribery was the following:—*"27th August 1900. Dear sir,—Your manager at our Canteen and Grocery Store, East Down, during the recent camp of the Western Counties Brigade referred me to you when I paid him cheques amounting to over 142l. on the question of commission. I need hardly say that I shall be pleased to hear from you in accordance with the custom which has invariably prevailed during my long experience of office as quartermaster-sergeant. I understand we shall camp at the same place next year, when we shall doubtless have the pleasure of doing business with you again. Trusting to hear from you in the course of a day or two.—I am, sir, faithfully yours —."

5589. (*Colonel Bridge.*) A very strong statement was made against the society about changing the labels of jam; that a particular regiment gave you up because the labels on some jam pots were changed from one kind of jam to another?—I think it was at the Warwick depot. My best answer to you about that is this. First of all the depot was dealing with us up to the time they were debarred by contract, which was, I think, April last year. At any rate they were dealing with us up to that time, and this question arose. There are two kinds of jam—and I will show you our price list to prove what I am stating—mixed fruits and fruit preserve. They are the cheapest kind of jams supplied, and so little difference is there between them that we can make no difference beyond 6d. a cwt. So I think you will see that the allegation was not a very serious one. What did happen, as a matter of fact, was that some jam got smashed up, and it was retinned in our warehouse, and the warehouseman put the wrong label on it. I was sorry for it because it looked bad; but I think the best answer to you is this price list. You will see mixed fruit and fruit preserve, and you will notice that the prices are 22s. in the one case and 22s. 6d. in the other case—absolutely an inappreciable difference.

5590. Did you know that that was why the regiment gave you up?—No, they did not give us up for that reason. They remained with us till they were debarred by the contract with the North Western District. The matter was satisfactorily settled.

5591. (*President.*) Then I see by your balance-sheet you made a loss last year of 9,483l.?—Yes.

5592. Which you will have to make up, I suppose, before you have anything to give to the soldiers out of your profits realised in future years?—Yes, but we do not know what the end of the South African account, which we have had to leave in Earl Roberts's hands, is going to be.

5593. What is the character of your losses in South Africa?—The position was this. The society originally sent out supplies for its own members. Subsequently Lord Roberts asked whether we would undertake to supply goods generally, in which case he would tell off so many trucks a day for us, and so on. We, of course, gladly accepted that and a notice in the Gazette was published. We sent out something like 40,000l. worth of goods. The railway communication broke down; they could not carry out their part of letting us get the goods up country. Meantime the Field Force canteen, which had started in Natal as quite an independent

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organisation, came across and met us at Pretoria—the Field Force canteen, being a purely military concern, was paying no duty, was paying nothing for wages, nothing for transport. We were paying all those expenses. The duty on jam is something like 33 per cent., and consequently we said we cannot go on; either you must let us run the whole thing or the Field Force canteen must. They said that a military organisation was better in the unsettled condition of affairs, and an arrangement was made by which the Field Force canteen were to take over our stores and our staff. They did take over a certain portion of the stores, and they took over our working staff and we ceased operations entirely there. Unfortunately the Field Force canteen did not apparently understand what we were, and, treating us like ordinary tradesmen, gladly snapped up whatever stores we had up there, but did not withdraw the balance from Port Elizabeth. There has been a very lengthy discussion going on. Lord Roberts has finally been good enough to investigate the matter, and to express his hope that the Field Force canteen will see that we are not put to any pecuniary loss. If that is the case then our losses last year will only be 4,000*l*.

5594. 5,000*l*. of your 9,000*l*. you hope to have remitted to you when you settle up your accounts with the War Office?—Yes.

5595. But, at any rate, you will carry 5,400*l*. forward as a loss?—Yes.

5596. Which you will have to make up out of future profits?—That will be so.

5597. That practically means water?—Yes. We have had to make up losses before now. In the early days, when I took up the secretaryship of the Society, the Society had lost money. But, after all, you must recollect there is not a penny piece down in the balance sheet for anything except goods. There is no goodwill or anything of that sort.

5598. At what sum would you value the goodwill of your business as a going concern?—I would not like to say. All I can tell you is that the auditor said to me the year before last, "I wish you would let me turn this into a limited liability company. It would go like smoke." But, of course, that would upset the objects with which the society started.

5599. He thought it was worth more than 50,000*l*.?—I forget what he fixed it at then, but quite a large sum of money.

5600. I do not think in your evidence you have made any statement about your experience in South Africa?—No, because it would only come in under the question of the balance sheet.

Adjourned to Friday next at 11 o'clock.

ELEVENTH DAY.

At the War Office, Pall Mall.

Friday, 2nd May 1902.

PRESENT:

The EARL GREY (*President*).

Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE.
Colonel A. J. LAMBERT.

Major L. A. M. STOFFORD, D.A.A.G.
Captain H. C. BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary*.

Lieut.-Gen.
Kelly-Kenny,
C.B.
2 May 1902.

Lieut.-General KELLY-KENNY, C.B., called in and examined.

5601. (*President*.) Perhaps it would be the most convenient arrangement for you to read your notes to the Committee?—Do you wish to hear me on the whole question? I have never read the terms of your reference.

5602. We should like to hear you generally on the management of canteens, and how we can improve them in the interests of the soldier. We should like you to deal with those special points on which you wish to give information to the Committee?—I would like to say generally that ever since I have been in the Army, and particularly since I have held a responsible position, like Adjutant-General on the staff in the Northern District, and also Adjutant-General at Aldershot, and commanding troops at Aldershot, that I see, and particularly on manoeuvres, that the curse of the soldier is beer drinking and the pushing of the sale of beer. Notwithstanding that the officers try to stop it, it goes on more or less to the present day—so much so that I think not only is crime increased by it, but that the health of the soldier suffers materially in consequence of it.

5603. Therefore it would be your opinion that it is desirable to place the management of the wet canteens in the hands of someone who has no interest whatsoever in pushing the sale of drink?—Quite so. But that is the difficulty. I have often thought that we might improve our position by abolishing the sale of beer in camp or in barracks altogether, but I believe I am alone in the Army in that view. I do not think I have ever found anyone who agreed with me on that point; and I admit it at once. The reason which is

given by Army officers and the general public for that is that it would drive the men into the public-houses in the town. And a great many officers also think that as we insist on the men being properly dressed when they go into the town, it is rather unfair to handicap them in comparison with their brothers in civil life. But so many lads join without the slightest taste for beer, that I have often thought if the two methods were weighed, the balance would be in favour of the general health and discipline of the regiment and the sobriety of the men; and though it would make many blackguards a great deal worse and many drinkers a great deal worse, I think it would save hundreds if we prevented them ever getting the taste for beer which nearly every soldier develops. The attraction of the beer, and the rush of their comrades to the canteen, invariably takes them with it. But there are so many objections to the course I have indicated, and so many experienced officers and Commanding Officers are against it, that I think perhaps it is not worth discussing.

5604. Then I may summarise your evidence on this point in this way: that you would be in favour of making it difficult, rather than easy for the soldier to get beer in the barracks, always provided that your arrangements are not so stringent as to drive the men out of barracks into the town?—Yes; yielding to the general wish of the Army I would give up that point, and I would consider now how we can make the sale of beer less injurious to the soldier.

5605. What proposals have you to offer on that point?—I think that the question of the merits of the

tenant and regimental system has been a good deal discussed before you—I believe you have had evidence connected with that.

5606. Yes, a good deal of evidence?—I have had some experience, and I know the objections. Like all other military questions you must weigh them in the balance; but I think on the whole the regimental system is the better system. It has certain disadvantages with regard to the officers no doubt, but I do not think it has the disadvantage it is represented to have—that of taking officers away from their proper duties. I dispute that altogether. I think that of all the duties officers have to perform, the health and the discipline and the comfort of the men is the most important; and I have found in all the positions I occupied in the Army that the better the regiment was the more interest the officers took in these small details—nothing was too low for them, nothing too mean, and nothing was beyond them or outside their duties. I have always found that in my experience in the Army.

5607. You hold that the management of the canteen is a factor in the well-being of the soldier, and that the good officer therefore takes an interest in the management of the canteen?—Yes, and the better the regiment the more interest is taken.

5608. And the better conducted becomes the canteen?—Yes, and the more interest the officer takes.

5609. Therefore you think it is essential that you should not relieve the regimental officer, and the officers of the regiment from the responsibility of the canteen?—No. We are always accused in the Army of not being business men, but the moment you try to teach the officers some business habits there is this outcry, that they are being taken away from their proper duties. I have been president of a canteen and it never interfered with my duties. When I was Commanding Officer, my officers, who were on the canteen committee (I selected good ones who had an aptitude for it) never allowed it to interfere with their proper duties.

5610. Does what you describe as a general dislike to having the responsibility of the canteen thrust upon officers arise from want of capacity or indolence?—Of the Commanding Officer do you mean?

5611. No, on the part of the average regimental officer?—They do not like the idea of being considered to be grocers and beer retailers; but as I say, in a good regiment I have never found any objection.

5612. (Major-General Eaton.) The objection was taken in the first place to counting the coppers, was it not? That was the first complaint among the officers?—That is a small thing. It is a disagreeable thing perhaps, but then that must be weighed against the good they do to their men.

5613. (President.) Do you think it is undesirable to make a soldier into a grocer?—Do you mean the officer?

5614. No, the rank and file?—I do not see any objection to that. Are you speaking now with regard to the beer or groceries.

5615. Do you think that men should be taken from their military duties in order to put them on canteen duty, either wet or dry?—There is an objection; but if you do not do it, and have recourse to the tenant system, I think the disadvantages weigh you down. You have not the control of the men; besides which it throws all that corruption and wickedness that is complained of on to another section of the community. The men are often reservists, and it goes on worse than ever.

5616. Have instances of corruption come to your notice?—Taking bribes and assisting in pushing the sale of beer.

5617. Is that common in your opinion?—I think it is.

5618. And in the dry canteen, are commissions offered in order to secure the purchase of goods?—No, I do not think so, not to the same extent. My experience is that the greater part of the profit comes out of the beer. Even when we sell the dry goods in the canteen at wholesale prices there is still a profit, and I am convinced it comes out of beer.

5619. Is that impression of yours founded upon particular experience on your part, or is it simply a general idea of yours?—I think it is experience. It came under my notice when I was Adjutant-General at

Aldershot. I had a great deal to do with it; as one of your members, Colonel Bridge, will tell you, I was in constant communication with it. All these questions had to come through me. I was the responsible head.

5620. And you are satisfied that the present system does open the door to corruption?—Yes.

5621. And how are you going to close that door?—I do not think, as long as you have beer selling, you will ever absolutely close it. We may by more supervision and more inspections do something.

5622. What happens when you find the agent of a brewer is bribing your canteen manager or giving him a commission on his turnover?—It is a most difficult thing to prove. I was commanding a brigade at Aldershot during that celebrated time when the man left his pocket-book about.

5623. That case was not thoroughly gone into?—No we could not bring it home. We could bring it home to the brewer and turn him out of the camp, but the legal authorities said there was no proof against the men whose names he put into the book. He might have put your name into the book that he gave you 10% ; and unless the men admitted it there was no proof.

5624. Was it proved against the brewer?—It was proved satisfactorily to the Court of Inquiry; and the brewers whom this man represented were turned off from the camp—they were cut off from the sale of beer to the Army. But, like everything else, it only lasted a short time. Representations were made and pressure was brought to bear, and I believe they are selling beer as much as ever they were.

5625. And this offending firm is now on the supply list?—I think they supply just the same as ever, as if nothing had occurred; but nothing is final in the Army. It only lasts a certain time. Pressure is brought to bear, and the thing is allowed again.

5626. You very much disapprove of that?—Yes, I would not let him into the barracks again.

5627. Though you were an officer of high authority your wish could not be carried out. It is detrimental to the interests of the Army that a brewer who has once offended in this way should ever be employed again?—Certainly, for a gross offence like that. There might be trifling things as to which you might be lenient.

5628. But not this particular case?—No, I think it was such a gross case. There was, then, an opportunity of establishing an example throughout the Army and throughout the brewing community.

5629. The only example that has been established is the impunity with which a man can offend?—Exactly.

5630. And this particular brewer has got the most valuable contract in the whole of the Army?—I may say in every other case where brewers or people who supply the Army are found to have offended they are forgiven—pressure brings it about.

5631. Why are they forgiven; where does the pressure come from?—It does not come from the military authorities.

5632. But a strong administration would be proof against that pressure?—It ought to be; a merciful administration is not.

5633. But it is not?—It is not.

5634. We have had a good deal of evidence before this Committee pointing to the desirability of establishing an organisation which would work the canteens of the Army on a co-operative basis, by which I mean that after a small percentage had been paid on the capital required to establish that organisation, the whole of the surplus profits would be divided among the canteens in proportion to their purchases?—Yes.

5635. The objection that has been taken to that system is that, if it were compulsory, it would put up the backs of the Army to feel that they were obliged to purchase their supplies from a particular quarter; and I think the general opinion which has been expressed before this Committee has been that it is desirable in the interests of free competition to give your regimental officers the widest possible freedom as to the quarter from which they shall obtain their goods, but that, other things being equal, it is certainly desirable that they should get their goods from their organisation which is run in the interest of the soldier and not in the interest of a private firm. Would that be your opinion?—Yes, I certainly think it would, I should be

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sorry to lay down or to publish any order that they should go to any one institution, even if it was a Government institution or a co-operative store.

5636. You feel it would be impolitic to endeavour to impose a reform or condition?—It would be impolitic; it would not do at all.

5637. You must allow it to grow up gradually, you think?—I should let the Commanding Officer go where he liked.

5638. You would not recommend doing anything more than bring before the regimental officer the alternatives?—Quite so, and I go further. I think that the best system would be that the Commanding Officer should be allowed to make his contracts. Of course it is part of the duties of the General, both of the Army Corps and the Division, to inspect very carefully the canteen system, and he might compare one with another and bring to the notice of the Commanding Officer that such and such a regiment gets its supplies from such and such an association, that their beer is cheaper or their groceries are cheaper, and so on. I think a great deal might be done in that way, in addition to a very very strong system of inspection which we have never had.

5639. You suggest the fullest possible publicity, comparison and inspection?—Yes, an Army Corps system of inspection. I suppose the Government will not pay for it, but I think the canteens ought to pay for it. There must be some strong, highly-paid man to inspect, even if it is a civilian, and if it is a civilian you will have to pay him and pay him very highly.

5640. (Major-General Eaton.) You are not in favour then of district contracts?—No.

5641. You prefer the regimental contracts?—Yes, I prefer the regimental, but I think you should have the supervision of the General; constant inspecting; constant watching; and with an inspection committee—sending them round the command.

5642. (President.) There is one other question, and that is upon the food of the soldier. The evidence given before this Committee leads us to suppose that the young soldier is a big eater and a small drinker, and that he slowly becomes a drinker?—I do not know that it is very slowly, but he becomes a drinker.

5643. Most of his money is spent in the purchase of food when he first joins the army?—When he first joins.

5644. Have you ever looked into the question of the soldiers' rations from a scientific point of view?—Yes.

5645. As to how much nutriment there is in them?—Yes, I have.

5646. And are they up to the requirements of a young man?—This question has been frequently before us, and I have always thought that the soldiers' bread ration is sufficient, but I think he ought to get a quarter of a pound of meat more. Notwithstanding all that has been done, it is a good deal at his own expense. He does not get anything like as good rations as the American soldier.

5647. And the German soldier?—I have not compared the German soldier with him, because they are so different. I compared the two Anglo-Saxon armies which enlist voluntarily; and I should think, as well as I can recollect, that the American soldiers' rations are better in the proportion of about four to three.

5648. (Major-General Eaton.) I believe the American soldiers, from what I have seen, get free groceries?—Yes.

5649. That is a thing the English soldier does not get?—No, now he gets his messing money.

5650. That is, if he is not doing duty with his battalion, but a man is charged 3d. for his groceries?—Of course, the extra pay of the soldier is not quite a canteen question. The messing money was given more or less to help his pay.

5651. (President.) What is the exact position of the soldier with regard to the dry canteen. Is it a luxury, or a necessity, in order to keep him in a state of efficiency?—It is a necessity.

5652. What has he to pay in order to get the groceries and for his extra food, which you say is a necessity, to keep him in efficiency?—I say it is a necessity in this way. I do not think the man would be driven to hospital if he did not get the supper, but I think he would not be such an effective or strong a soldier.

5653. (Major-General Eaton.) Really, what the soldier gets is three-quarters of a pound of meat and bread. Everything else—groceries and tea—he has to pay 3d. a day for, if he is in mess?—I say, even if you give him the extra pound of meat, he will still go for his food.

5654. He has to pay 3d. a day for it?—The Government gives him that 3d. as a pure allowance. Formerly it came out of his pay.

5655. (President.) In your view, the soldier gets his rations of bread and meat given him by the State?—Yes.

(Colonel Bridge.) Plus an allowance for his groceries and vegetables.

5656. (President.) What is his position towards the State?—He gets 3d. credited to him, and then out of that 3d. the man is efficiently supplied from the canteen—they buy from the canteen the groceries and the vegetables.

(Colonel Bridge.) Yes, and the milk, and so on.

5657. (President.) That means his pay has been increased 3d. a day in order to meet his grocery requirements?—Yes.

5658. So that you could say that he had his groceries free if you had not added the 3d. to his pay?—Yes; he would have his 1s. a day and his groceries free, but instead of that we have added 3d. a day.

5659. He has 1s. 3d. a day now?—Yes, and he pays for his groceries. He has got a great deal more now—he has got 2d. more; he has 1s. 5d. a day from the 1st April.

5660. Every soldier in the Army?—Every man who is entitled to the messing gets 2d. more, and in 1904 he will have 6d. more. The soldier's pay is being increased.

(Major-General Eaton.) The total amount that can be stopped from a man's pay for grocery and so on is 5½d. a day.

5661. (Colonel Bridge.) The Government can stop that 3d. at any moment when they wish—for instance, in the field they stop the allowance?—Yes; it is only the pay for the messing.

5662. (President.) It seems to me a complicated arrangement?—It is, but at first it was intended to do away with supplying groceries by the State, and they thought that would be more complicated still.

5663. But still, I understand from your evidence that in order to keep a soldier in a state of efficiency such as you require to enable him to do his duty properly, it is absolutely essential that he should have groceries, and that he can only get those groceries through the dry canteen?—Yes.

5664. And that that dry canteen, therefore, is a regimental necessity as much as the beef and bread?—Yes, the dry canteen is a necessity, but I will guard myself against saying the beer is.

5665. As far as the dry canteen is concerned the supplies issued to the soldier are as great a necessity as the rations of bread and meat?—Yes, not necessarily through the canteen; they are a necessity wherever you get them, and therefore it is of the utmost importance that the regimental officer should take the greatest personal interest in the management of the dry canteen.

5666. Therefore you do not think it is desirable to hand over the management of the dry canteen to any firm of contractors to manage for their own profit and not for the interest of the soldier?—No, because I suspect the system. I am told they make nothing, and that they make nothing out of the beer, as some brewers tell me, and the statistics also tell me that the drink has been decreasing since the tenant system, but I do not believe any of it.

5667. Your knowledge of human nature leads you to believe a man would not take that business up unless there was profit in it?—My experience as well as my knowledge of human nature I may give an example. In the Salisbury manoeuvres, and every other manoeuvre I have been at, the men get into camp after a long day's operations and long marches, and the tent and the canteen is ready, but as a matter of fact there is nothing ready but the beer. The bread comes later, the apples come later, the cheese comes later, but the beer is always there, and not only that, but it blocks the road and interferes with the troops coming up.

5668. Is that so in the regimental canteen?—I am now talking about large masses of men at manoeuvres. This was when one great firm had had the whole of the supply.

5669. And he making his largest profit on the sale of beer, it was always easy to get beer?—Yes, he pressed the sale of beer when nothing else was ready and when nothing could be got up, but beer was always there. So much so that my staff—I commanded a Division at the last Salisbury manoeuvres—instead of attending to their regular military duties, had to be constantly watching and trying to get other supplies than beer. My Assistant Adjutant-General was told off altogether for the purpose of getting other supplies than beer up into camp.

5670. We have had some evidence that Messrs. Dickeson have a very large number of canteens under contract, and that among their preference shareholders they have officers and non-commissioned officers and canteen stewards to the extent of one-fourth of their whole list of shareholders?—Yes.

5671. Do you think that is open to objection?—Of course I would not allow officers to be members of the Board of Directors; but I think it would be as difficult to interfere with officers being members of a supply association as it would be to prevent their having shares in the London and North Western Railway, or the Army and Navy Stores, or any other institution. I do not see how you could stop it.

5672. Is it desirable that an officer who has to cater for his men should have an interest in a particular firm from which he buys the stores?—It would be better not.

5673. It would be better for him to invest his money in other things?—Yes, but I think we could not actually interfere.

5674. It is desirable, as far as possible, to avoid it?—Yes, an officer with good feeling would get out of the thing if it was put to him, but I do not think we could order it.

5675. You must leave that to their good sense?—We must leave it to their sense of honour and to the Commanding Officer's influence over them, but I see great difficulty in saying "You must not have money" in Dickeson's. There are hundreds of other institutions.

5676. You cannot prevent a man doing that if he wishes?—No.

5677. You must leave it to his sense of honour?—Yes, and to his Commanding Officer's influence over him.

5678. (Captain Boehmer.) In the early part of your evidence you said that the pressing of the sale of liquor was the great evil in canteens, and officers tried to stop it?—Yes.

5679. Is not the great inducement to press the sale of liquor due to the fact that regimental officers depend upon the profits from the sale of beer from their canteen funds for improving the messing of the soldiers?—No, I do not think that the pressing of the sale of beer is due to that, but still I think that the profit on the beer enables them to do a great deal of good for the soldier. At the same time I am sure no officer in the Army would press the sale of beer for the sake of the profit which it gives.

5680. The improved messing depends to some extent upon the state of the canteen funds?—An officer here and there might be influenced by that, but I think as a body they would not be.

5681. (Colonel Lambert.) It has been frequently stated before this Committee that after two years the soldier becomes a beer soaker, though he is an eater in the early part of his service. Can you suggest any steps which might be taken in the canteen to obviate this difficulty?—I have often thought of it and I would say, first of all, with regard to the difficulty which arises at manoeuvres, I proposed at a manoeuvre that we should have no beer at all, and that the officers should have no wine—that we should try for those 14 days whether we could not eliminate it altogether. But there were so many objections raised to it. Of course, one must try these things cautiously and judiciously, but I approached Lord Roberts about it, and I think he is rather inclined to take up the idea on some future occasion when we have manoeuvres that we might endeavour to have them

without any beer or liquor—just to try it as an experiment, of course, not continuing it if it did not succeed. That would help. Then, again, I think there might be an improvement in respect of the hours that the canteens are opened. Of course we do not want to rush these things, or to press them unduly, but I suggested to Lord Roberts, and I think it is in his mind, that we might alter the hours of opening of canteens. I have always thought it objectionable that canteens should open at 12 o'clock. On a field day there is a great rush of the men to the canteen. I do not think in civilian life it is felt that it is necessary to drink after exercise. I have visited some very large firms, and I do not see the same rush to the public-houses that I see to the canteens. So I think that if we approach the matter carefully and cautiously we may be able gradually to shut up the canteens for drinking on the premises—letting the men, however, take a glass or a pint of beer with their dinners. I would not object to that, but I do think that the rush of men, when they come in from marching, to the canteen is very objectionable. It may be said that it is a matter of habit, but whether it is or not it is a very bad one, and if we can check it in any way it would be a very great advantage to the soldier.

5682. (President.) In your circular of December 28th, which we have put upon the notes, you recommend that the men should be allowed to purchase one pint of beer to drink with their suppers?—Yes.

5683. We have been told that the soldier does not care so much for his beer with his dinner?—I think he likes it at all times, but he certainly does not crave for liquor with his food as other people do.

5684. You think that if you made it a little more difficult for him to sit and soak in the wet canteen he would be inclined to have his glass of beer with his food?—I think so, and anything that would drag him away from the wet canteen I should welcome.

5685. You would put the wet canteen rather out of the way than in the way?—Yes, I am very averse to its being the awful pot-house that it is. I do not know whether any of the civilian members of this Committee ever visited a canteen?

5686. We have been told that some canteens are worse than the worst public-houses?—I certainly think that it would be very interesting if, before you finally decide, that the civilian members should make a visit, without notice, to any canteen at eight o'clock in the evening, when most of the officers are at dinner. I would suggest not in London, because the soldiers have so many attractions in London, but I think it would be very instructive if you were to go to some of the large barracks.

5687. We had evidence from a non-commissioned officer to show how Lord Roberts was completely taken in when he visited a canteen at Aldershot: beautiful linen and clean crockery, which was all swept off the table as soon as Lord Roberts' back was turned on the canteen?—Aldershot would not be a test place to go to. I should go to Colchester or to the canteen at Worley.

5688. (Colonel Lambert.) What accommodation would you provide in the canteen, merely a stand-up bar such as you have in a civilian public-house—using the accommodation which thereby became available (which is now employed as a pot-room for soakers) as a better class club, with suitable accommodation for the men?—Do you mean where they might sit down and drink beer?

5689. You would have to limit the amount of beer which was sold in that room?—I think that perhaps we should be going too far. I think what I would do is as suggested in Lord Roberts' circular, make the institutions very attractive. I do not mean that I would make the canteen very disagreeable or nasty; it should be fairly and reasonably comfortable.

5690. (Major-General Eaton) You would not have entertainments in the canteen?—Certainly not, I would have no music or singing or anything of that sort in the drinking places.

5691. (Colonel Bridge.) It has been suggested that it is no use trying to wean men from beer either by refining their surroundings, or by compulsion, so long as you have a ring of public-houses around the barracks, such as you have at Aldershot, ready to receive them with open arms?—Of course the magistrates might refuse to renew the licenses, but they do not. But even then I think a great many men would pass by these public-

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houses who would be led into the canteens by their comrades. I mean that if you had no canteen in the barracks there are hundreds of men who would never go into one of those public-houses. On the other hand a great many would go more and would become worse. But to carry out such a suggestion as that is out of the question, and I would not press it, as there is hardly anyone that takes the same view as I do.

5692. One argument which has been used by the Commanding Officer at Aldershot was that directly they try to improve their recreation rooms and make the canteens unattractive the men simply go outside the iron railings into the public-houses and that their trade increases?—Yes, a great many men do, but a great many do not. A great many would stay and never think of going to these public-houses.

5693. (Captain Boehmer.) Of course the men do not have to dress in the canteen, whereas they have to dress to go out?—Yes, but a soldier is different from a civilian in that respect. A soldier is more or less paid to be disciplined and to obey orders, and if you order him to dress he dresses. A civilian is not paid for that. He is paid to hammer away or dig away all day long, and you cannot compare the two.

5694. But does not the fact that they have to dress to go out of barracks make it easier for them to get drink in the canteen and encourage them to get drink there?—If a man is a drinker I prefer him to go to the canteen, dressed or undressed.

5695. (Colonel Lambert.) Can you offer any suggestion as to the better conduct of sergeants' messes?—That question presents great difficulty. I have had great experience of sergeants' messes as well as of canteens. Any tightening up of the rules is resented very much. The only thing I can see is to improve the condition of the sergeants, and I hope the small amount of extra pay they are getting will help in this direction. We must, of course, try and bring the sergeants' mess up to the level, as far as we can, of the officers' mess, by improving the condition of the men and by getting a better class of men into the Army. I see no other way.

5696. By increasing their self-respect and by throwing the whole responsibility upon them?—Yes.

5697. We had evidence from a sergeant-major at Colchester who took exactly the same line that you have done, but who said it was absolutely essential that the second officer in command should be responsible for the sergeants' mess, but this appeared to the Committee to be a contradiction?—Yes; when the Commanding Officer goes round to inspect I think the sergeants dislike very much the inquisitorial part of the institution.

5698. Would you throw the whole responsibility upon the sergeants themselves?—I would throw it all upon them, except to this extent. The Commanding Officer and the General Officer inspect the officers' mess, and I would have the very same inspection over the sergeants' mess. The Commanding Officer watches the books of his officers and I would have the same control over the sergeants' mess.

5699. You would apply the same rule to both messes?—Substantially. It would be impossible, perhaps, to apply exactly the same rules, but substantially the same.

5700. That would be your ideal towards which you would work?—Yes, my idea, broadly, is that instead of watching them, and checking them, and suspecting them, I would try and improve their position.

5701. (Major-General Eaton.) The liquor book is no check at all?—It is no check and does more harm than good.

5702. An instance has been mentioned where two sergeants were testotallers, and more glasses were put down against them than any sergeants of the mess?—Honorary members, who are not responsible, and are not under the control of the Commanding Officer, generally have the liquor put down against them. There is one point I forgot to mention when you asked me whether we could check drinking in the Army. When I was at Aldershot three or four men would get a gallon of beer between them and drink one after another. Now, I think a pint measure is the largest that should be allowed in any canteen. A small reform like that might help, and that is within the power of any Commanding Officer.

5703. You mean to say that a man orders a gallon?—Yes, and three men will sip from the pot one after another.

5704. In some canteens do not they get more beer by buying it in the gallon than they do by buying it in the pot?—No, I think not.

5705. (Colonel Lambert.) The old soldier reaps the advantage. He goes in with two younger ones. They buy half a gallon; they have the first two drinks and he gets the lion's share?—And besides that there is only one waste in filling up.

5706. So they get more liquor?—Yes.

5707. (President.) Have you ever heard it stated that the energy value of the food given to prisoners as their legal diet is more than the free daily ration given to the soldier?—No, it is not true. I have not the statistics in my head, but I was in charge at one time when I was at this office of the whole of the prisons and I know the rations very well. I had a good deal to do with the alteration of the rations. The prisoners only get sufficient just to keep them healthy.

5708. (Major-General Eaton.) They only get meat three times a week; the soldier gets it every day?—Of course when they come out of the prison they look as if they had been very well cared for. They are supposed to do hard labour, but there is no hard labour about it. I recollect once going to prison to a prisoner, and I found his hard labour consisted in brushing the dust off the pews in the church. This makes them flabby when they come out, and they look well fed, but they really are not. They get just sufficient.

5709. (President.) Are there any other points which you would like to bring to our notice?—I ought to add that not only officers of the Army that I have met with, but even advanced temperance advocates, are against my view of stopping the sale of beer in barracks when I have discussed the question with them.

5710. The circular you signed recommends distinctly that they should be allowed to purchase a pint of beer?—Yes; as the system exists you must make the best of it. Then there is the question of the increased facilities for instruction and amusement in the institutions, but I suppose that has been thoroughly threshed out before you.

5711. We have had a good deal of evidence on that point, but we should be very grateful for anything you may have to say?—I think there is no movement more clearly in the right direction than that of increasing the comfort of the soldier in the institutions apart from the canteen.

5712. Your wish is to establish counter-attractions of the most effective character against the wet canteen?—Quite so. It has been suggested ever since I have been in the Army that we ought not to do this out of the profits of beer drinking; but I think we should do so, and I have ordered that we should try to pay the library charges out of the canteen; and, of course, the canteen means the beer. I see no objection whatever to making these institutions comfortable and almost luxurious at the expense of the beer.

5713. I suppose you would be of opinion that in the appropriation of the wet canteen profits the General Officer Commanding should be consulted?—Yes, he should be consulted, certainly.

5714. Would you allow the General to have the control of the appropriation?—No, the Commanding Officer.

5715. In order to secure continuity of administration in such a matter as a regimental institute, is it not desirable to have control over the various units who come into one barracks?—Yes.

5716. Supposing you cannot get out of the Treasury the money that you require to put up the recreation rooms which you think the comfort of your soldiers require, do you think it would be fair to borrow the money for that purpose on the security of your wet canteen receipts?—There are difficulties as to one regiment giving it over to another.

5717. Suppose you want 1,000*l.* to increase the comfort of the men, and the amount derived from the canteen profits was sufficient to enable you to give 40*l.* a year, that is 4 per cent. on 1,000*l.*, then as there would be no doubt about your being able to find this sum out of your wet canteen profits, you would be able to borrow the money at 3 or 3½ per cent., and that would be a very small charge on the wet canteen?—That is so.

5718. And it would enable you to secure the permanent comfort of your soldiers?—Yes.

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5719. It does not seem to me to matter very much whether there is a change of soldiers or not, because the man who comes in benefits exactly as much as the man who goes out?—Quite so. I quite approve of what you suggest. If the Government give the furniture or fixtures, then I think you could borrow the money. But I think you will have to borrow from the Government, because it sometimes happens that a station is given up, and who is to pay the money? But if you borrowed the money from the Government, then the Government would say, "This is our fault, we have given this up and we must suffer the loss." But I see no reason on earth why the canteens should not spend their money in providing comforts for the soldiers. Of course, you could not expect the Government to give armchairs.

5720. (*Major-General Eaton.*) Would you spend the profits of canteens on buildings?—I would, in a permanent place, and where they had very large profits. I was down the other day at Shorncliffe, where the profits were very large, and the Commanding Officer asked permission to build. The Government are very slow, but he got authority to build. But there it was more or less a permanent institution, and the profits were so large that it was allowed.

5721. (*Colonel Bridge.*) At Aldershot we built what is called the annexe—butcher's shop, fish stall, and so forth—out of the canteen profits. I think we spent nearly 1,000*l.* on buildings out of our profits, and, counting the theatre, we spent a great deal more than 2,000*l.* or 3,000*l.*—Of course, it depends upon many considerations, and I would not like to run any great risk.

5722. (*Major-General Eaton.*) Do not you think there should be a little more latitude allowed the soldier to take his friends into the coffee bar, subject, of course, to the consent of the Commanding Officers?—Yes, I am very much in favour of it, almost to the pulling down of the walls of the barracks. The more open they are the better. I am dead against the idea of building a wall round the barracks.

5723. You would suggest that the coffee bar should be made as attractive as possible, so that they might meet their friends there?—Yes. I do not think I would allow them to take them into the drinking place.

5724. But into the coffee bar?—Certainly, as long as they are well conducted.

5725. And under the control of the Commanding Officer?—There is a point I intended to bring before you. It has been suggested that Commanding Officers object to having the soldiers employed as waiters. Now they do not seem to at all object to reservists, who are just as valuable to us as soldiers; they do not see that it is as important to keep the reservist from corruption and temptation as it is the soldier.

5726. Do you object to the old pensioner being used?—The pensioner is not such an important person to the State; in fact, rather the reverse. But we should try to look after the reservist as well as the soldier, and certainly should not put temptation in his way. Whatever you do I hope you will keep a tight hand on the beer sale. On other points there may be differences of opinion, and one is influenced by what one hears, but no argument I ever heard has touched my belief

that we must keep a tight hand on the sale of beer. Then there was a point that I thought probably you would have asked me about, and that was the question of soldiers belonging to co-operative societies. I do not think that it would do for the soldiers individually to belong to them; they are irresponsible young lads; but I would not object to the Commanding Officer as a unit taking part—indeed, I think it would be a very good thing.

5727. (*President.*) You would not allow the young soldier to have a book in the dry canteen, and to have all his purchases credited to his account, and get a bonus on his purchases?—No. I would not object to it later in life, when he had steadied down and become a more responsible man—perhaps a married man; but I think the Commanding Officer has the interest of the young fellows much more at heart than they have themselves, and I think he would do more with the money.

5728. You would appropriate the profits realised by the dry canteen to the collective benefit of the regiment rather than to the individual benefit of the soldier?—Quite so, and that on account of the irresponsible character of the great body of the soldiers we have to deal with at home.

5729. You do not think it would have a desirable educational influence upon the character of the soldier?—Yes, it would if they were capable of appreciating it. I would have no objection at depôts for the married people being individual members of these associations; I would see no objection in principle, that is; but there is a difficulty that they expect also the profits out of the wet canteen.

5730. (*Major-General Eaton.*) A tenant now pays the married people 5 per cent. as a rule?—I know he does. I think the President was asking me about their being members of the Co-operative Society, and I say there would be a little complication, inasmuch as they would be getting profits from both. Yet perhaps he had never gone near the canteen; or he might have had one ounce of tea or a bit of tobacco; but you could not cut him off from the advantages the other men have.

5731. Some of the permanent staff are members of the Co-operative?—I do not see any objection to that, but I was thinking of the young lads. They are not capable of appreciating the advantages of responsibility, and I think it is better training for them to be looked after by their Colonel at that stage.

5732. (*Colonel Lambert.*) Closely connected with these questions is the question of whether the canteen should be fixed or movable?—I am not sure that I quite understand you.

5733. At a single regimental station, if you have reserve men or pensioners, you could have a permanent fixed canteen station?—You are speaking now of the regimental system.

5734. Under any system you can have that, if you employ men who are not in their first term of service. But in the interim who would be responsible for the managing of it?—The Commanding Officer now carries the responsibility of his canteen about with him just like he does his orderly room. He goes, and the other regiment does not come for a week or so; meantime who looks after all that machinery.

The witness withdrew.

Dr. T. E. THORPE, C.B., F.R.S., called in and examined.

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F.R.S.*

5735. (*President.*) Will you please state the official position you hold?—I am the principal chemist of the Government laboratory.

5736. Is it your business to analyse the composition of the food supplied to the soldier?—I get samples of foods, which eventually, I believe, find their way to the soldier from all sources—from the Inspector of Rations of Great Britain; and also I believe from Colonel Dunn down at Woolwich.

5737. And is it your duty to analyse those samples and report whether they are up to standard or not?—It is my duty to analyse those foods and see that they conform to the specifications under which they are bought.

5738. Have you ever conducted an inquiry into the energy value of the rations supplied to the soldier?—No.

5739. That comes outside your province altogether?—I have never been consulted as to the actual nutritive value in that sense of the food.

5740. Have you made investigations on your own account?—No.

5741-3. You do not know whether they are really sufficient to keep a man in a state of efficiency?—I can easily determine it by calculation, because the data for calculation of such a thing are already existent. We should know from the elementary composition of those foods whether they had sufficient energy value. It would not require a special investigation to do that.

5744. I see you have kindly prepared some notes for the Committee, and I think it would suit our convenience if you were to read your notes?—Something depends, of course, upon what you want to know. I have here a *précis* taken from our register of what our

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work has been in connection with samples which have been sent to us through, I believe, Major King. The Government laboratory was invited by Major King to analyse samples of food for him, and he subsequently stated that the number of such articles of food that he would send us during the year would be about 20, and that these would mainly consist of malt liquors, and what he called butter substitutes, flour and jams. Application was made to the Treasury for permission to enable us to make these analyses, because I may say when any public department applies to me for analytical aid, I have to submit that application to the Treasury. The Treasury's sanction was obtained, and I find up to the end of the financial year 1897, that is to say, from the Autumn of 1896 up to the 31st of March 1897, we received 17 samples: eight of these were beer, six were jams, two butter, and one was flour. The remarks we made regarding these several samples were—that the ales varied in original gravity from 42° to 60° and the black beers from 45° to 69°. There was no complaint made as to the quality of these drinks, except that some of them were rather weak. One of the butters proved to be margarine. All the jams were free from objection. In the year 1898, that is to say from the 31st of March 1897 to the 31st of March 1898, we received 74 samples, of which 37 were beers and 17 special samples from Gibraltar. Of the beers 25 were tender samples from the Western District. There was little to complain of in connection with these except the variation in original gravity, which ranged in the ale from 41° to 56°, and in the black beers from 53° to 60°. As regards the other beers low original gravity was the only complaint. Two milks from Leicester had been deprived of 30 per cent. of fat. A "butter" proved to be margarine; bread, though dark, was free from any foreign substance; the three tobaccos examined were genuine, but one contained rather a large proportion of stalk; mustard was of low quality with excess of starch and some husk; a calf's foot jelly—an invalid food—was made without wine, and had a slight mouldy flavour; two samples of lemonade and soda water each contained one-sixth of a grain of lead per gallon.

5745. Is that common to have lead in solution in aerated waters?—Oh, yes, it is not uncommon. If sufficient care is not taken in the character of the pewter which the vessels are made of—if the pewter itself is not sufficiently rich in tin, under the pressure under which these things are made, they are very apt to contain noticeable quantities of lead. In the case of lemonade, where, of course, lemon juice is used, in many cases the lemon juice itself may have contained lead. It may have been stored in leaden vessels, or it may have been conveyed from one vessel to another by means of leaden pipes.

5746. In sufficient quantities to be deleterious?—Some lemonades are known to be poisonous, that is as regards lead.

5747. Worse than beer?—Lead is not frequently found in beer; less frequently in soda water, but in lemonade it is not so infrequent.

5748. The poison that may lurk in the temperance drink may be greater than the poison which may lurk in the alcoholic drink?—Quite so.

5749. (Major-General Eaton.) Did you know from what firms these came?—No; as regards the supplies which came from the Army and Navy Departments we rarely knew the name of the firm, except by accident. Sometimes we got to know, owing to people against whom complaint had been made calling at the laboratory. Sometimes we gave information, sometimes we did not; it was simply by direction of Major King. Among the Gibraltar samples a "coffee" contained 60 per cent. of chicory; of three "butters" two were margarine and one inferior quality; a curry powder was poor, but genuine, and a mustard of poor quality. This exhausts what I have to say about the year 1898. In 1899, up to the end of the financial year, we had received 82 samples; 47 of these were special samples of spirits and wine submitted on tender to the Western District.

5750. (President.) The spirits and wines do not affect the canteens at all?—No, sergeants' mess. Among the whiskies the strength varied from 10·6 to 20·2 under proof; the brandies from 15·2 to 21·6 under proof. I ought to say that all these are stronger than the legal limit, that is no action could be taken about the strength of these spirits under the Food and Drugs

Act. Under the Food and Drugs Act any spirits of the class of brandy, rum, and whiskey, may be sold with a dilution down to 25 degrees under proof, so that all these were above that legal limit; and in the case of gin it may be sold as low as 35 degrees under proof. One sample of Scotch whiskey had been blended with a considerable proportion of silent spirit—that is other than whiskey—probably potato spirit; the brandies were of fair quality; rum genuine, but of medium quality; wines genuine, but not of high class. Of nine samples of butter, two were margarine; of five jams all were of mixed fruits, and with two exceptions were pronounced of inferior quality, containing fruit-stalks, &c.; a pepper was of low grade, midway between a "white" and "black" pepper; a vinegar was genuine, but of lowest grade sold; a tea, rough and inferior; a jelly poor and liquid, on account of the large proportion of mould; a baking powder contained 76 per cent. of ground rice and some alum. It was pronounced "weak and an improper baking powder," on account of the relatively large quantity of alum which it contained. We also received "four German sausages"; one contained over 50 per cent. of boiled potato and was mouldy on the outside, with a tendency to mould throughout, and in the others there was a large percentage of bread, but nothing injurious.

5751. But nothing very nutritious?—They would be nutritious to a certain extent.

5752. There is not, I suppose, much energy value in a bread and potato sausage which ought to be made of meat?—No, there is not much nitrogen in potatoes, I think. In the year ending 31st March 1900, 31 samples were examined, of which 21 were beers, and of these beers 10 samples were of a special character sent in consequence of a dispute at Shoeburyness, where a local analyst had reported the beers to be 5° or 6° below the stipulated original gravity. No information was furnished as to what this original gravity should have been, but the original gravities found were 1048° to 1054°. In another case the required original gravity was stated to be 56°–58°, and 57° was found. In several other cases lowness of original gravity was pointed out—1043° in one case, but no information is available as to whether there was any standard. Of five samples of butter all were genuine, but one contained 17 per cent. of water and another was pronounced of low quality and objectionable flavour. Three sausages were examined and found satisfactory, as were also a milk and a cheese.

5753. Will you kindly tell the Committee what the character of your department is?—The laboratory was established to do all the analytical work connected with the various Government departments (with the exception of a small amount of work connected with the Home Office), for example, the toxicological work and the explosives work of that Department, and of the War Office. The chemical work which is required in connection with the purchase of samples of medicaments for the War Office: a considerable amount of work in connection with the Prisons Department is, however, done in the Government Laboratory of the Home Office. In fact every Government department has a right to send us material to be examined and reported upon, and has a right to ask for my services in any enquiry which they may make.

5754. Are there any fees charged?—Nominally there are; there is an account kept, and they are debited to each department. It is a mere question of account. We do not do any work, of course, for the outside public except a small amount occasionally by the direction of the Treasury. For instance, during the recent inquiry as to the prevalence of poisoning arising from the use of lead glaze to the operatives, the Home Office asked permission of the Treasury, and obtained it, that manufacturers of pottery glazes might send their samples of glaze to the laboratory with a view to the amount of lead being determined—simply to aid the inquiry which the Home Office had instituted.

5755. And if it is not asking a State secret, what is the strength of your staff?—I have altogether both in the Inland Revenue and in the Customs Branch, I suppose, about 150 analysts.

5756. What do you call the 'Customs' Branch?—I practically do all the Revenue work, whether of the Excise or of the Customs. All the samples which are required in connection with the Beer, Spirit, and Tobacco Duty are sent to me, and a large number of samples of imported food on which duty is leviable or where the Customs have to control the character under

the special Acts under which they work. Those samples are sent either to the Central Laboratory at Clement's Inn Passage, where I mostly am, or to some other of the branch laboratories.

5757. You have experts whose investigation is confined to special articles?—Yes. Some men, of course, are told off to do a special character of investigation.

5758. And from the figures that you have submitted to this Committee it would appear that the amount of work you are doing for the Army is only a small fraction of your total?—Very little. I suppose during the whole course of the year I had something like 75,000 to 80,000 samples of various things.

5759. Then the Army troubles you very little?—Colonel Dunn has given me a large number of samples to examine of rations sent out to South Africa. As regards other samples in the year ending 31st March 1901, 66 samples were examined of which 22 were beers. To these beers no exception was taken except references to the lowness of original gravity—40° and 42° in several cases. Two whiskies were found of fair quality, one apparently being a blend in equal quantities of pot-still and silent spirit. Of nine "butters," two proved to be margarine, one was rancid and objectionable though genuine; of ten samples of mustard and pepper, four were very inferior; flour and oatmeal were both found to be stale and unsound; of two samples of milk, one was genuine, and one adulterated with starch and water; a baking powder contained 67 per cent. of rice meal, and was pronounced 'weak.'

5760. Those are all articles sold in the barrack room?—Yes. In the year ending 31st March last, 37 samples were examined, of which 17 were beers, the original gravities of which varied from 44°–58°; three samples of butter were found to be free from objection; and one sample of mustard was found to have an excess of husk, and to be of only moderate quality. On the whole, fewer samples than in previous years were found to be objectionable.

5761. Then a very small number of samples come before you considering the large number of canteens there are all over the country?—I think it is very small.

5762. Are you not rather surprised that the privilege which the Commanding Officers enjoy of sending samples of the goods sold to their soldiers is not more largely availed of?—I do not know how far Commanding Officers know they have a right to send them.

5763. Is it all done by the inspector?—It is all done by the inspector.

5764. Still your figures for the last year were only 37 samples?—That is so.

5765. If a Commanding Officer were to send you a sample, would you consider it your duty to analyse it?—Under the present regulations I should not. I am limited by Treasury sanction. My sanction only admits of things which are sent round to Major King. Once or twice we have questioned the action of some person who has sent us goods. We had some things from Aldershot. There was nothing to indicate from whom we got them, or to whom we were to report, and I sent round to the Inspector to know exactly what I was to do with those things, and he requested me not to do anything with them.

5766. The figures that you have read out to the Committee, would lead one to suppose that you are not kept half busy enough in the interest of the soldiers?—That is for you to determine.

5767. Do you consider the percentage of articles which have been proved to be up to standard is high or low?—I think it is, on the whole, fairly high. The general complaint one has to make is that although the foods are wholesome, they are perhaps not always of the highest quality. The tea, for example, is a genuine tea, but it is not high class.

5768. (Colonel Bridge.) I presume the articles you see would be mostly those that were suspicious. The articles that are obviously good would not come to you?—That I have no means of knowing. I am not aware what process of selection is gone through.

5769. (President.) I suppose the Inspector does not take up, haphazard, one tin of tea out of a big consignment of tea, and send it to you?—I do not know what steps he takes.

(Colonel Bridge.) I am pretty certain it arises in this way—that when complaint is made of a certain article the inspector then says, "I will have it analysed for you."

5770. (President.) I think that must be so, otherwise you would have a larger number of articles to report upon than you seem to have received. Has it not been a matter of surprise to you that you have received such a very small number to report on?—I cannot say it has been a matter of surprise. When Captain King asked me to undertake this work I naturally said, "How many will there be in a year?" Whether he was anxious not to discourage me or not I do not know, but he said, "Not more than 20." I was obliged to make that request in order to inform the Treasury as to what assistance would be required. If he had asked for a large number of samples I should have had to point out to the Treasury that I must have additional staff.

5771. The evidence before this Committee is to the effect that systematic and rigid inspection is desirable in the interest of the soldier. Now if a rigid and systematic inspection were adopted I suppose you would have more than 37 articles sent to you in the course of the year, would not you?—Yes, but the very fact that articles may be sent has a very strong deterrent effect. It is not necessary to send in very many goods. If it is well known to contractors that their articles are liable to be sent to the Government laboratory and liable to be adversely reported on, that, in itself, has a very strong deterrent effect. That we have found out by experience in every department.

5772. Every canteen manager is aware that the inspector may appear at any moment and send down any article on his counter to you for his official report?—I suppose so.

5773. (Captain Boehmer.) How do the Government rations sent out to camp compare in quality with the grocery rations sent to the troops in South Africa?—I should say they are very much of the same order. I find nothing very serious. Up to the end of the present financial year I have examined upwards of 1,100 samples which have been sent out to the troops in South Africa, and the broad result is that they are good sound articles of food, not always, of course, of the highest quality, but perfectly wholesome and nutritious.

5774. (Colonel Bridge.) And not much adulterated?—No, very rarely adulterated. I think, on the whole, goods sent out to South Africa are better than those supplied to the canteens. But of late years there has been considerable improvement, and we find this system which was instituted in 1896 has had a very good effect.

5775. (Captain Boehmer.) I presume a much inferior quality of food is bought in the market than the samples which have been sent to you from canteens?—Yes, in the east end of London, for example.

5776. Had you any knowledge as to the prices that had been paid by the soldier for these things?—No. No information of that kind is given to me.

5777. The majority of these things would be, I presume, of very low price in the market?—To the best of my belief they would.

5778. (Major-General Eaton.) Would you wish to recommend that larger powers should be given to Commanding Officers in various parts of the country?—There is really no difficulty whatever in the Government laboratory assisting them.

5779. (President.) Would the increased work throw additional cost upon your department, or would your permanent staff be able to cope with more work than they now undertake?—Not very much, and for this reason, I have had to take on additional assistance in order to cope with the work in South Africa, but we may hope that that will shortly be at an end and then assistance would be available if it was thought desirable to carry on the same system of inspection in another way.

5780. Do I understand you have 150 analysts continually at work at your laboratory at Clement's Inn?—They are not all there, but at different parts.

5781. All supplies are forwarded to your head centre in London, I suppose?—These were.

5782. Then you, as a public official with high and responsible duties, would not be indisposed to help the Commanding Officers if they sent on their own account

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Dr. T. E. Thorpe, C.B., F.R.S. without waiting for the inspecting officer to select the article?—Certainly, I should be very glad to do anything I could.

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5783. And it would have a good moral effect upon the canteen manager if he knew that his own regimental officer was there every day, and had the power of sending articles to the Government analyst?—Yes.

5784. You think it would be a very valuable assistance?—I am sure the mere fact that there was that power, even if it was very seldom taken advantage of, would have a salutary effect.

5785. Of course the number of Government Inspectors is very small, while the canteens are so numerous?—That is so. There is a class of article we cannot do very much with when it is sent to us, corned beef and tinned provisions of that kind. We are not in any sense food inspectors, and I should cut a very sorry figure if I were to act for the Army and Navy Stores in the purchase of those articles. I do not profess to be a good judge of the relative qualities of corned beef and tinned goods of this character. But I could answer such questions as this: "Do they, or do they not contain chemical preservatives?"

5786. There is a popular fallacy existing among a good many people that tinned foods contain injurious substances?—It is not a fact. Many canned goods contain chemical preservatives, for instance, boracic acid and borax, but that is not necessarily injurious. The bacon, for example, that we get from the United States and from Canada is all preserved by the use of boracic acid.

5787. Some people believe that there is arsenic in tinned peas?—It is not so. There may be occasionally a little sulphate of copper.

5788. Not enough to be dangerous to health?—There was a Departmental Committee which reported upon the use of preservatives and colouring matters in food, and the Committee, by a majority, recommended that in the case of certain vegetables the use of greening material, copper salt, should be prohibited; but the Committee was not unanimous, and there is room for a difference of opinion. There is no question, however, that the greater portion of that green material in a pea is in an insoluble form, and does not enter into the circulation at all, and does not act as a poison. I was a member of the Departmental Committee and voted for prohibition, because it was proved that it was not necessary. At the same time it was also proved that there were no dangerous consequences following the use of it.

5789. (*Colonel Bridge.*) Is there any danger from the process of canning and tinning?—Not from the tin, but there may be occasionally danger from the solder. The lead may be dissolved, and in that case there may be a little danger, but that can be easily avoided if the outside of the article is scraped a little, as the lead only penetrates to a very little depth.

5790. (*Colonel Lambert.*) An expert in the beer trade before this Committee gave it in evidence that the gravity test of inferior beer was entirely misleading, and stated that you could get gravity tests with 50 per cent. of sugar just as easily as with 85 per cent. of barley?—I at once admit that there is no direct connection between the quality of beer and its gravity. For example, a good lager beer is very good beer, but that is almost invariably beer of very low gravity. But, of course, that is not the class of beer which the soldier drinks. The common beer at the shops is really, roughly speaking, measured by its gravity.

5791. Then the witness went on to say that so far as quality was concerned a test of gravity was a waste of time?—Gravity is merely a measure of the amount of brewing material which has been employed; it is the only measure we have. If, for example, the authorities stipulated that the beer should be of such and such a gravity, that would really mean that such and such amount of brewing material should be employed in the manufacture of the beer, and that it has not been subsequently diluted with water.

5792. Do you controvert that statement of his that the gravity can be got easily with 50 per cent. of sugar?—It is only half a truth. As a matter of fact it practically never is got with 50 per cent.; it could be, but it is not, as a matter of fact.

5793. (*Colonel Bridge.*) The point was that no good ale with 75 per cent. of barley and hops could be sold profitably at 3d.?—I am not able to answer that. That is a question for a practical brewer.

5794. (*Major-General Eaton.*) Did all those samples of Major King's come from different parts of the country, or were they principally from one district?—They came from different parts of the country; what the distribution was I am unable to say. We were not informed of that.

5795. But they were not all sent from one district?—No.

5796. Were some sent from Ireland?—I do not remember.

5797. (*President.*) Is Major King the only inspector who sends them?—The only one.

The witness withdrew.

After an adjournment.

Mr. William Key.

Mr. WILLIAM KEY, called and examined.

5798. (*President.*) I understand that you have submitted a request to the Committee asking them to take your evidence?—That is so.

5799. On what point do you wish to give evidence?—On the scheme that I have propounded, and which I believe you have read.

5800.—What is the broad result of the scheme?—That you might save 500,000l. a year in the interest of the soldier; if there was one buyer to buy the whole of the beer, with a Central Office in London, you would save 500,000l. a year in the buying and retailing it out.

5801. Are you interested in the brewing trade?—I have made my living in that way for the last eighteen years as an agent.

5802. For a particular brewer?—No, I am not tied to any brewer. I always make a point of getting any beer that the president of the canteen requires, whether it be Bass' or Guinness', or a Scotch beer. The beer they require I always undertake to supply.

5803. Do you state that judging from your own experience, as a supplier of beer to the Army canteens, that your own profits are of such a character that if another system were adopted the Army would save 500,000l. a year?—I will put it in this way. My experience is that every soldier drinks two barrels of beer per man per annum. Taking the number of soldiers at 250,000, that represents 500,000 barrels. Buying that at 24s. a barrel with a better gravity than

you are getting and retailing it at 2d. a pint in the canteen, that gives you 48s. a barrel from the canteen.

5804. I do not see where the profit to the soldier comes in under your system. Under the present system the Commanding Officer can buy his beer wherever he likes with open competition?—Undoubtedly. Commanding Officers advertise for tenders. But I say, if you take the number of canteens there are in this country, and you concentrate the profits into a central fund, you will have, I have no hesitation in saying, half a million of money where you have not now one hundred shillings at the present time.

5805. As I understand, you advocate a gigantic system of concentration, and the taking out of the regimental officer's hands, the power he has to buy his beer from whatever source he likes?—Absolutely; because in my experience the regimental officer knows nothing about it.

5806. (*Colonel Lambert.*) You say there would be 500,000l. a year profit made?—If you buy 500,000 barrels of beer at 24s. a barrel, and you retail it out at 48s. a barrel, that is 2d. a pint: there you have got it.

5807. Are you aware what profit is made at the present time on beer?—As far as I know the sale of beer at the present time, it is sold at 30s. a barrel to the president of the canteen, and it is sold, as a rule, at 3d. or 4d. a quart. If it is sold at 3d. a quart, that brings in 36s., that leaves 6s. a barrel profit, and of course if it is sold at 4d. a quart, it is 48s. a barrel.

5808. Would you not have to deduct, in order to arrive at your 500,000*l.*, the profits which are being made at the present time?—Undoubtedly, which I set forth in this scheme. Do you agree that the figures formulated here are correct.

5809. I could not say without reference. But how do you say the 500,000*l.* is to be made?—Out of the difference between wholesale and retail prices.

5810. But that is gross: you make no allowance whatever for what is being made at the present time?—But I say that what you make at the present time is practically no benefit whatever to the soldier.

5811. (*President.*) I understand your point boils itself down to this, that you say you would make practically half a million pounds profit a year if you were to buy all the beer required for the Army from one source rather than distribute your orders over a large number of brewers?—I would not say from one source. I would buy at one price. You could not possibly buy from one source. But I would buy it all at one price in a given district, and the profits would be the same.

5812. At present, I suppose, you are aware that the General Officer Commanding can get the beer from wherever he likes?—Undoubtedly.

5813. And he advertises for tenders and makes the best bargain he can?—Yes.

5814. I understand you to maintain for your scheme, that if the General Officer Commanding was obliged to go to a particular quarter for his beer he could do better than he can with open competition?—I have seen the General Officers' tenders advertised for, and I have very often been a successful competitor in tendering, but when it has gone to the General Officer Commanding for confirmation, on some occasions, my tender has not been entertained, and it has been given to another brewer. If you advertise in the "Newcastle Chronicle," or any other Northern paper for tenders for the North Eastern District, and you get word from the president of the canteen that your tender has been accepted, and it goes to York for confirmation, and they say: "No, we will give it to 'another firm';" I want that rectified and remedied, because I consider this a public scandal.

5815. Then I understand the reason you have asked us to take your evidence, is in order to show up a public scandal?—I would like to qualify that, with all due deference. In March last year I prepared this scheme, and I have been daily, you may say, in attendance at the War Office here on this matter, and it was

The witness withdrew.

Colonel L. G. FAWKES, R.A., called in and examined.

5824. (*President.*) Have you had large experience in canteen management?—I had, as a young officer, about eight years' regimental work, two years at a dépôt as a captain when I was on the Canteen Committee, and I have just had about 19 months at Portsmouth in command there of an artillery district, where we had a very large canteen and six branch canteens.

5825. Wet canteens?—Wet canteens.

5826. Were there dry canteens in each place too?—In the smaller places the dry canteens were with the wet canteens. In such small places you could not very well separate them.

5827. Is there any special point on which you wish to give evidence?—I should like to read a statement I have prepared:—

"Existing System."

"The present system of establishing a wet canteen in every barrack has been so universally recognised as a necessity that if a small body of men is sent on detachment a wet canteen must be provided for them, e.g., the garrison artillery at Portsmouth have six branch canteens at outlying sea and land forts.

"Conditions of Service have altered the Case."

"Under the altered conditions of service, when the majority of men serving at home will be between 18 and 21 years of age, and when a large proportion are, on joining, if not total abstainers, moderate drinkers, a wet canteen seems to be no longer a necessity if beer is supplied to the men who wish for it at their dinner and supper, but is, on the contrary, a temptation to form the habit of drinking between meals.

at the request of the Secretary, Parliamentary Committee of the Trade Union Congress, that I prepared the scheme.

5816. I understand your scheme is you calculate there is a difference between the wholesale and the retail price which enables you to show a profit of half a million?—I could produce to you half a million the first year, when you do not have half a million shillings at the present time in the interest of the soldier.

5817. Surely you, as a practical man, admit that the principle of competition does secure for a regimental officer beer on the best terms?—My own idea is that the regimental officer, having charge of the canteen, as a rule, knows absolutely nothing about it: in fact, he has not been trained to it, and I do not think it is really right to put such a responsibility upon him.

5818. Your opinion is that the regimental officer is not fit to look after his own canteen?—Yes.

5819. That is not the opinion of the Committee. The opinion of the Committee is that the regimental officer must be responsible for the well-being of his men and the management of his canteen?—I must say that in 18 years there has not been a single complaint made against me by an officer, but all the same, coming here before this Committee, I say that in my experience I do not think the officers are competent so far as the canteen is concerned.

5820. (*Major-General Eaton.*) Is it your wish, coming here to give evidence, that this Committee should recommend that the whole of the beer supply of the Army should be given to you?—Not to me at all. Give it to anybody you like, only let there be a central office in London. Not to me, certainly not. I would not like the Committee to think that for one moment.

5821. How do you propose that the central office should be formed?—On similar lines to Earl Grey's trust which he has formulated in various parts of the country—with each district managing practically its own affairs, but yet it all goes through one central authority.

5822. You suggest the compulsory purchase of beer from one source?—Not from a particular source, but at a given price and of a given specific gravity.

5823. (*President.*) I understand you consider the regimental officer is not an expert buyer and that you would save half a million a year by your system?—That is my statement—on the principle of buying and selling that is so.

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"Advantages and Disadvantages of Present System."

"Advantages."—(1.) The men are, it is contended, kept in barracks. (2.) The profits on the sale of liquor go to the benefit of the soldier, and not to the publican. (3.) The good quality of the beer which the men drink is ensured.

"Disadvantages."—(1.) Soldiers are tempted to drink between meals, and to drink more than is good for them. (2.) Canteen orderlies, usually young non-commissioned officers, have a duty imposed on them, especially on pay days, which it is impossible for them strictly to carry out. (3.) Soldiers 'in liquor' get away to their barrack rooms, and are a public danger and nuisance, who, if they had to enter barracks, would be stopped by the sentry on guard. (4.) The present system does not mark the disapproval by the authorities of drinking between meals. In weighing these advantages and disadvantages, it is necessary to bear in mind that it is far more important to educate the young soldier in habits of self restraint, than to consider the question of the appropriation and disposal of profits, and to legislate for the good man, leaving the bad man to be punished if he transgresses. *One of the most important lessons to teach the young soldier is to preserve, as far as lies in his power, his health and faculties in the most perfect condition, in view of the great demands that may be made on him on active service, and in bad climates, and to know that abstemious habits, and self-control will preserve his health, while spending his money on drinking between meals will most certainly cause loss of stamina, power of endurance and perfection of sight.* A War Office Circular, 114/India/118, headed 'Short rules for preserving health in India,' published recently, states, 'Those who drink beer or porter should

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"take it with a meal, or immediately after one, but 'never on an empty stomach,' yet it is, I believe the universal practice in barracks at home for men to go and drink at the canteen *before* their dinners, and never at their dinners.

"Proposed Scheme.

"I should, therefore, propose to give every man who wishes for beer, a pint of beer at his dinner; and another pint at his supper, and to abolish wet canteens in barracks.

"Possible Objections.

"It may be said that if this system were adopted it will be a return to the old days when the publicans outside lived upon the soldiers, whereas the present system encourages men to stay in barracks. My answer to that is that the young men joining in these days and those who will in future join, now that the pay is increased, are very different from the old soldier. Since the beginning of the year I have visited 14 different barracks, and from enquiry made have been astonished to find the large number of our recruits who join as total abstainers. I do not think you can expect to keep all young soldiers in barracks in the evening. The tendency of the present day is to restrict men less to barracks when their work is over. It is better, in my opinion, to teach men by habits of self-restraint to behave themselves 'as gentlemen' in the town, and so to help forward recruiting, than to endeavour to keep them in barracks by competing with the attractions of the town, if it leads to excessive drinking in the canteen by the introduction of music-hall singing. It is certain that in every large body of men there will be some who would not be contented with the ration of beer supplied to them at their meals, but would go outside if they could not get it at the canteen. These men now go outside in the morning before the canteen is open. It is impossible to legislate for such men, the only thing to do is to punish them when they are caught, and to place them on daily pay is the best preventative.

"Example of the Navy.

"There can be no hardship in restricting men in barracks to a ration of beer at their meals, for the Admiralty instructions forbid wet canteens in any sea-going ship in the Navy. It may be said that the sailors cannot get ashore, but the point to my mind is that the Admiralty have come to the conclusion that a wet canteen does not conduce to discipline, and that they have not been influenced by the consideration that sailors, when on general leave, may, in consequence, drink more (which is very likely the case). It may be said that now the Navy have barracks ashore they are establishing wet canteens in them. My answer is that the case of a soldier in barracks is more analogous to a sailor on board ship than to a sailor in barracks away from his ship and his guns. In the case of a garrison artilleryman he may be called out at any moment of the night to man a quick-firing gun to repel a torpedo raid. Every soldier will be better trained for active service by being taught that he must at all times be ready should his services be called on.

"Example of R.G.A. at Naval Manœuvres last year in Portsmouth District.

"In the naval manœuvres last year, which lasted 10 days, these principles were carried out in the Portsmouth District under my command. Large detachments manned the Sea Forts at Spithead, Fort Blockhouse, Point and Southsea Castle, composed largely of reservists. For 10 days the detachments manned these forts, and in the case of the sea forts and blockhouse they remained in the works the whole time manning the guns night and day by reliefs. Every man who wished for beer had one pint at dinner and one pint at supper, but no more. There were no complaints and the conduct was everything that could be desired."

5828. How many men did that experiment effect?—I should say, perhaps, 500 men.

5829. For what length of time?—Ten days.

5830. You were able to apply that rule for ten days without producing any discontent?—No discontent at all. The men recognised the necessity of this restriction, if they were at all times to have their wits about them. If this could be done with reservists—and they not the best, for the best were on working furloughs—why should it be thought impossible to satisfy the young

soldier without placing a wet canteen in every barrack? There is, however, one point which, in conclusion, I should like to add, and that is if the recruit is to be taught habits of self-control and moderation, the sergeants' in their messes must teach them by their example. I think it will be generally admitted that officers' messes are in this respect a good example to the sergeants' messes.

5831. I suppose the officers' messes have improved a good deal?—Very much so.

5832. And you hope the sergeants' messes will improve in the same way by slow degrees—that there will be an evolution towards sobriety?—That is a difficult question. One thing, I think, which affects the question very much is, that the sergeants will look at the thing from the profit point of view, and directly they get into the sergeants' mess their one idea is that they must make profits, so that they may benefit by this.

5833. Make profits at the expense of their friends?—Make profits themselves.

5834. If they all drink fair they all come out equal at the end, do they not?—Yes; but the more liquor there is sold in the sergeants' mess the more profit they make.

5835. They have to pay for it?—They do not pay for it all. In order to swell the profits, they very often sell to civilians outside and to soldiers inside barracks.

5836. And if they give a ball their guests pay for the beer they consume at the sergeants' mess, do they not?—The honorary members pay; but, of course, if they are not honorary members, they should not.

5837. Do I understand you to say that in a sergeants' mess it is the interest of the sergeants to get outsiders to come in and buy their beer, because they make a profit on every glass of beer sold, so that the more outside custom they can attract the greater amount of profit there is to divide among themselves?—Yes.

5838. They are making the publican's profit?—Yes. Last year I was in the Isle of Wight, and I found in one day 350 glasses of beer sold at the sergeants' mess. I could not try the caterer by court-martial, because I had not the evidence to convict him, but it was quite evident the sergeants could not have drunk 350 glasses of beer in one day.

5839. (Major-General Eaton.) How many sergeants were there?—Perhaps a dozen.

5840. (President.) How would you remedy that?—It is a very difficult question. I have been thinking over it. One thing I should certainly do in sergeants' messes, I should abolish spirits.

5841. Would you allow the outside public to come in?—No, I should restrict the honorary members very much. At Portsmouth I found exactly the same thing. I found that, practically, every sergeant in the garrison, even the petty officers in the Navy, were considered honorary members of the sergeants' mess. When I left I reduced it to this—that only those men who lived in the barracks and were sergeants and had no messes of their own should be honorary members of the mess; and, I think, that is a rule which should be strictly carried out.

5842. Then I understand you to be very strongly of opinion that you should make it impossible for the private soldier to get any beer between meals?—Yes.

5843. And would you limit his consumption at meals to one pint at supper and at dinner?—Yes. I may say that I read only this morning these opinions of mine to the Chief Warder of the Tower of London, where I am staying, who is as good a representative as you will find anywhere. He is a man who served 30 years in the Army, and for the last 15 years has been connected with the soldiers at the Tower, and he agrees with every word expressed in this statement and strongly advocates the proposed scheme, with this difference, that he would reduce it to half-a-pint at each meal, which he considers ample for the young soldier.

5844. But that, you think, is going a little too far?—I do not know. I do not quite like to say that. There is one point that I should like to mention, and that is that you will find the beer in our canteens is generally very strong. They are not satisfied unless they get beer of high specific gravity, and for a young soldier of 18—and those are the men you have most particularly to legislate for—one glass of beer of this high specific gravity is ample, and probably if he

had a whole pint he would show the effects of it to a certain extent.

5845. You have evidently thought out what sort of opposition you would receive from the rank and file to the adoption of these proposals?—I have been to 14 barracks and I have spoken to some of the best representative non-commissioned officers I could meet in the Army, and I have not found a man who has not said, "I approve thoroughly of this." I spoke to Sir Henry Trotter yesterday, and he said, "Of course I have not thought over the thing very much, but I do not see why it should not be tried, at all events in some barracks." He did not think it was at all unreasonable, and I have spoken to many officers, and 14 years ago when I proposed these ideas to General Philip Smith at Aldershot, he said, "I thoroughly agree with you"; and what is more, you have not brought forward the strongest argument in my opinion, which is that wet canteens lead to so many young non-commissioned officers being broken for canteen duty.

5846. The young recruit is easily managed; he would fall in with any regulations that might be established at the barracks?—Yes.

5847. But the old soldier would very much object, would not he?—There are so few of those old soldiers now. Of course this last year or so we have had this enormous number of reservists, but I take it under the new conditions, which will very soon come back again, the great majority of our men will be men from 18 to 21 years of age.

5848. Therefore in your opinion the only consideration which should weigh with you in making your plans is how to benefit the young soldier?—Yes.

5849. And not how to meet the tastes of the old soldier?—Quite so, but I believe in our depôts, where we do get a sprinkling of these old soldiers; they would not complain if it was found necessary to adopt this system universally. In any case I think it hard that the respectable young soldier, who would be glad to see this temptation removed, should suffer because there are a certain number of men who do not understand moderation.

5850. Then I understand that you have anticipated that one effect of your proposals would be to drive a certain section of your soldiers out into the towns?—Yes, perhaps to some extent.

5851. And you say that the harm they would do to themselves in drinking would be more than counter-balanced by the diminution in temptation in the way of the young soldier?—Yes I do, and what is more I do not think that your having a wet canteen in barracks prevents these men going out. They do go out, and they will go out, and to a certain extent it prevents discipline being carried out in barracks, and I think I really say what every Commanding Officer must feel in his heart, that his canteen on a pay day is not a place that he cares to go near.

5852. How often do you have your pay days?—Once a week. Of course, in some places where you have different units they are paid on different days, but on any pay day the canteen is not a place one cares to go near.

5853. Have you ever heard of any other officer making a similar experiment to that which you described with 500 men for 14 days?—I have not.

5854. Nobody has ever made that experiment except yourself?—No, not to my knowledge.

5855. But in your case it was a complete success?—There was not a single complaint of any sort.

5856. The men could have a pint of beer at their dinner or at their supper, and you regarded this as much as they could legitimately require?—Yes.

5857. And they saved their money?—Yes.

5858. And it benefited their health?—Yes.

5859. (Colonel Lambert.) Did you pay out of your canteen funds for this pint of beer during those 14 days?—No, the men paid for it. I think the men paid through their accounts.

5860. It was not a case of their not looking a gift horse in the mouth?—No, it was not.

5861. I understand that your panacea for excessive drinking in the army is the abolition of the wet canteen in barracks?—Yes.

5862. What counter-attraction in its place would you propose?—Just what Lord Roberts stated after his late visit to Salisbury—to have all your attractions, your concerts or whatever kind of entertainment you have, always in the recreation room, where you have a coffee bar handy. That, I take it, is in accordance with the spirit of the King's regulations. All these entertainments in canteens are to be discountenanced. In my own canteen at Portsmouth I would not have allowed a piano or any performance. Of course, I could not prevent a man getting up and singing a song, but I would not have allowed any people from outside to come. In fact, they tried to, but I would not hear of it.

5863. During certain afternoons the men have time which many of them now go to the canteen to spend. What branch of the regimental institute do you think they could use with the best profit to themselves, and which would most conveniently take the place of the tap-room?—I should say the recreation room where you have papers and reading and games. We had very good billiard tables.

5864. Would you give them no form of drink, even a limited amount, in there?—No. I should do everything in my power to discountenance drinking between meals.

5865. Shortages of money occur to caterers in many sergeants' messes?—Yes.

5866. That is frequent in the Army, is it not?—Yes.

5867. Have you ever thought of any means of saving them from that temptation?—The shortages occur very often by the caterer giving credit. I think the sergeants should pay monthly, as is the case in officers' messes, or weekly, instead of ready money being paid. This system would save a sergeants' caterer losing by bad debts, and would also be a more accurate record of each sergeant's consumption than the daily liquor sheet. The sergeants' mess should, in fact, be worked on the lines of the officers' mess. I think that the management of the sergeants' mess is made easier if you limit the number of honorary members. The number of honorary members is usually excessive. Then there is an enormous quantity of beer sold, and, of course, the greater quantity sold the more difficult it is to keep a check on it.

5868. The number of honorary members can be limited by you or by me by making a rule and insisting upon its observance. But it is notorious, is it not, that certain caterers do make a very substantial sum of money during the month that they are in the sergeant's mess?—The only way I should prevent that is this. Of course all the outgoings should be shown. Now very often sergeants have asked to have the profits divided among themselves. This I never allow. For instance, when two companies out of four at Portsmouth went to Golden Hill practice camp they made a great deal of money and they wanted to have that divided amongst them. That I stopped, as it gave the sergeants' caterer a direct interest in the sale of liquor.

5869. You have never had to think out any special method of checking this abuse?—No, I have never discovered it in the sergeants' mess. What I did discover in the sergeants' mess was excessive drinking. Of course one ought to be able to check the amount of beer sold, unless a sergeants' mess has two accounts with the brewers, which has been known. This, however, could not well happen now, as the sergeants' mess gets its beer through the canteen, that is from the same brewer.

5870. (Captain Boehmer.) Of course the great drawback to putting a stop to the wet canteen is that it would reduce very much the amount of funds that the Commanding Officer has to spend for his men, would it not?—Yes, but I have not considered that question. I should say that a certain class of man will spend his money in barracks. But in Bodmin, where the recruits are mostly from London, the profits of the coffee bar were enormously increased because these young fellows were encouraged to go to the coffee bar. They were encouraged in this way. The Commanding Officer would allow them to draw 2s. a week through their accounts at the coffee bar. The result was that the coffee bar's profits, though they will never come up to the profits you will get at the liquor bar, are not to be lost sight of. But, as I have said in my paper, it seems to me that the importance of training the soldier

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in the habits of self-restraint is infinitely greater than the question of profits.

5871. We quite admit that among a large proportion of men there is an excessive sale of drink, but do not you think that sudden restriction would involve such depreciation of canteen funds that Commanding Officers would be rather at their wits ends to supply even the rations that they get now?—Of course, the Commanding Officer must cut his coat according to his cloth, and it might possibly be so. I was able to reduce my messing stoppage at Portsmouth from 4d. to 3d. a day. That meant a penny to every man per day. But that could not be maintained. That had to be given up because when these reservists left the canteen the profits were not so great. Of course, the Commanding Officer cannot give more than he has.

5872. If there is a great depreciation in the amount of the canteen funds to be expended towards extra messing, do you think that the young soldiers would be as well fed as they are at present?—Is it a satisfactory thing that the young soldier's food should depend on the old soldier's drink bill.

5873. I am looking at it for the moment not quite from that point of view. As it stands at present from the profits on the sale in the canteen the soldiers get extra food?—Yes.

5874. Now if this amount of money is practically taken from the regiment by reducing the sale of drink, do not you think something ought to be made up so that the soldier shall be adequately fed; or would he be able to do without this extra messing?—My belief is, if the cooking is properly attended to and the messes large, he should do without this extra messing. I advocate dining-rooms in all barracks in place of wet canteens, where the men could dine together, and those who wished it have beer at their dinner. It seems to me a wrong principle that the Government should leave it to the canteen profits to feed the men. If the men require more food the Government should supply the food.

5875. As a matter of fact the extra food does come from the canteen fund now?—A great many things come from the canteen, and sometimes, of course, the food. I quite admit that.

5876. (President.) Are you in favour of the regimental system or the tenant system for the management of the canteen?—I read the paper of Lord Ebrington very carefully, and should be in favour of his methods. The only thing is, that there is a great deal of prejudice, because officers are directors.

5877. Is that prejudice partly due to the facts that they are unacquainted with the co-operative principle?—It is the result of ignorance.

5878. As they get educated to understand the principles of the scheme, you think their opposition will vanish?—The principles can, I think, be proved by demonstration better than by argument.

5879. You would say, with your knowledge of the regimental officer, that you cannot drive them, but that you must show them the way, and leave it to their intelligence to follow if they think it is a good system?—Yes.

5880. Do you think it would be a mistake to compel them to get their articles for their canteens from a particular source?—Yes, if you do that too much, and they get bad supplies, it would cause a good deal of complaint. It seems to me that if the Rochdale system, or something of that sort, could be applied, and that you really could launch the co-operative system, then the soldier would be getting all the profits, whereas a contractor is bound to make something out of it; he will not take the contract unless he makes something out of it.

5881. Theoretically it appears as clear as a proposition of Euclid that the Rochdale system secures all the profits for the soldier?—Yes.

5882. Have you ever discussed the practicability of applying the Rochdale system to canteens with your brother officers?—I have to a few.

5883. But you have not been encouraged to pursue the conversation?—The only objection that I have heard made is that the Canteen and Mess Co-operative, which is the sole representative to them of the co-operative system, has officers connected with it, and it is thought that will at once make the men suspect it.

5884. Do you think that view is justified? Is it your experience that the men believe the officers feather their own nests in any way out of the canteen management?—I suppose the more ignorant the men are the more they think their would-be benefactors have some selfish motive.

5885. Do you see any objection to associating with the management of a dry canteen representatives of the rank and file?—No, I see none.

5886. Are you acquainted with the working of the Rochdale principle under which the consumers appoint their own committee to control the management?—I should be strongly in favour of that. I think the tendency in the Army is for the officers to interfere too much with the profits of the men. It is the men's concern; it is their money. I believe in the Navy it is not so—most captains in the Navy interfere very little. They leave entirely to the men the disposal of their profits.

5887. You would not be afraid of handing over the management of the dry canteen to the rank and file?—No, I should be in favour of it with dry canteens.

5888. That is not the usual view among officers, is it?—Simply because, I think, when an old system like ours has been going on for years, there is rather a disposition not to test anything fresh, and not to trust the man enough. Besides our experience hitherto has been with wet canteens where it is necessary to control consumption. I believe the more you trust the men the more you educate them. For instance, in the present day we are beginning to find out that the men have been too much nursed. The more we can put responsibility on these men, if they are willing to undertake it, the better. There are men amongst them who are quite as capable of managing as we are.

5889. If you want to make a soldier a good fighting machine you must not teach him to trust his officer solely, but teach him to trust himself also?—Quite so. He has been taught too much to trust his officer. I should advocate anything which would give the man more independence, and that is what I felt very strongly in writing this as regards keeping the men in barracks. There are many who advocate strongly doing everything that can be done to keep the men in barracks, as if that was the one object. My feeling would be, teach a man in barracks to behave himself in the town.

5890. (Captain Boehmer.) Do not you think the idea of keeping the men in barracks has arisen from this fact—that the uniform being conspicuous, if a man misbehaves himself he is noticed, and if there is any irregularity the officers would rather it were in the barracks than out of the barracks?—That is the feeling, but I maintain you do not prevent these fellows disgracing themselves in the town. They do disgrace themselves in the town. It might be advisable to inform all publicans that if they serve soldiers before 2 p.m. they will be placed out of bounds.

5891. (Colonel Bridge.) What is there for them to do in the town?—I think that in every town we ought to have a good soldiers' home of some description, where a man may have any amusement he likes, and it ought to be like a club, where he can get some refreshment.

5892. But we have them now, and yet we do not find men go there. Look at Aldershot which is full of homes?—I find they do go.

5893. Some do, but a very much larger proportion go to the public-houses. The soldiers' home does not compete with the public-house for some reason or another?—Are we encouraging them so far as we are concerned in our barrack discipline? I do not think we are—by providing them with these opportunities of drinking, whereas if we say, like the Navy does, "No, as far as we are concerned, it is not for your interest for you to have more than this amount of beer at your dinner and your supper." Then if a man chooses in his own time to drink to excess he cannot at all events turn round and say, "Oh, well, you did not tell me: you countenanced it."

5894. (President.) If I may summarise your evidence it is that the effect of our present system is to drive the men to become drinkers and to depend upon their officers and not upon themselves at the cost of self-reliance?—Yes, we manufacture drinkers. I remember one instance of a man at Portsmouth within the last year who gave up drinking. On the day that he gave it up I asked him how much he had had—I saw he

was under the influence of drink—and he admitted to me that he had had 14 pints that day. This was all drunk in the canteen. Now, I think a system which allows of a man getting 14 pints of beer at any one canteen—and I am sure in my canteen we did everything we could to preserve order—is greatly at fault.

5895. (*Captain Boehmer.*) Was that canteen under the tenant or the regimental system?—Under the regimental system.

5896. (*President.*) Under the regimental system have you ever come across a canteen manager who received a commission on his sales from a brewer?—No, I had very great trouble with my canteen at Portsmouth. The canteen steward died suddenly, and it was found after his death, from his own statement on paper, that he had misappropriated 100*l.*, and he had done it in a very clever way. There were six branch canteens which I have mentioned to you, and which were, of course, very small canteens, and when I first went there I saw the weak point—that every other day, or two days, the money that was taken arrived in the afternoon, and was handed over to the canteen steward with a statement of the amount. Supposing it was 5*l.*, he would enter it as 3*l.* This was in his own handwriting. The accounts were so complicated with these six branch canteens that it took three weeks to get the canteen accounts finished. That is to say, the canteen accounts of May would not be sent in till the third week in June, and during those three weeks he was able to appropriate this money, which he had taken in the previous month, from the takings of the current month, and in that way he had misappropriated 100*l.* Before the bank book was sent he would have lodged that money out of the takings of the following month. I looked into the bank book and I saw that in one of these cases 100*l.* was lodged after the audit had taken place, and I discovered he had got hold of the bank book—he had put in a 1 before 85, so that when the auditor saw it it read 185, and then he subsequently scratched it out when it went back to the bank. I took it to the bank, and the bank agreed with me that he had falsified the account.

5897. He had made an erasure?—An erasure. Of course, it is very difficult to compete with a man like that.

5898. That was a case of embezzlement and falsification of accounts?—Yes.

5899. I must ask you whether in your experience you have ever come across a case of a wholesale firm,

either for dry goods or beer, giving a commission to the salesman?—No, I have never come across a case of that kind.

5900. You have heard of such cases?—No, I have not heard of it in connection with canteens.

5901. (*Colonel Lambert.*) Could you say from your experience whether you are of opinion that this excessive drinking in barracks dissuades the better class recruits from joining, and induces their parents to try to dissuade them?—I think it must be so. I think the condition of things in our barracks, with these drunken men coming in, must have that effect. It is a most common thing with the old soldier who drinks to urinate his bed, and it is to be always attributed to drinking, I believe. They do not do it in prison where they do not get the drink. Where you have men of that class it seems to me it must affect the decent men.

5902. (*President.*) You think the wet canteen is responsible for a great deal of disagreeableness?—I do.

5903. It makes the life of the soldier unpleasant to those in the barracks, and unpopular outside the barracks?—Yes. Then one must put oneself in the position of a young recruit when he joins, and try to remember what one was at 18. He has come from a good home, he has been brought up well, but has not got the strength of character to say, "No, I will not go into the canteen." Now here you have got a place within a few yards which the older soldiers will take the young soldier into, and it is very difficult for him unless he is a man of very strong will to say, "No, I will not," whereas the going into a public-house in the town would be quite a different matter.

5904. I suppose even an officer, when he joins the Army, is most anxious to do what *esprit de corps* requires?—Yes.

5905. And he does not like to run counter to the customs of his brother officers?—That is so.

5906. And it must be still more so with the recruit?—Yes, because he has not had the advantages which we have had.

5907. (*Colonel Lambert.*) He regards it as a mark of honour to give a drink to the old soldier?—Yes, and the old soldier will initiate the young recruit into the habit of drinking at the canteen.

The witness withdrew.

Mr. C. B. HEYGATE, recalled, further examined.

Mr. C. B.
Heygate.

5908. We have asked you to continue the evidence you began the other day with a view to enabling you to answer certain criticisms made by other witnesses against the Canteen and Mess Co-operative Society. At Question 3449 Captain Simpson accuses you of having given short weight in bread and measure in beer?—At Bisley Camp, where this happened, I went into the canteen with General Mackinnon and Captain Simpson. My explanation first of all with regard to the bread is, that it was procured from a local supplier. The bread, as far as I can make out, was up to weight when it was new, but the moisture dries out; and some of the bread in the canteen was certainly under weight. But then it was not sold by weight in that canteen at all. It is shop-bread, and is simply cut up. The bread, I should say, came from a man called Boylett, who supplied the Brigade of Guards with bread for seven or eight years.

5909. Captain Simpson says that there was not a loaf of bread in that canteen which was not more than two ounces under weight?—I do not think he could substantiate that.

5910. What is the shrinkage of bread in weight?

(*Colonel Bridge.*) Two ounces on a two-pound loaf.

(*Witness.*) Of course this is not our own bread, and what is rather an important matter, we did not sell this bread by weight at all; but if a person coming in wants bread and cheese, one of these two-pound loaves of bread which costs 2*d.*, is cut up into five pieces, if a man wants a halfpenny-worth of bread. We have always objected to that system, and when you come to cut stuff there is always liable to be a shortage. At Salisbury Plain, it was suggested that, because a certain cake costs 4*d.* a lb., that a man coming in and having a penny slice must have a quarter of a pound.

But you cannot do that. It would involve an immense amount of labour; there must be a loss, and as long as you give a fair halfpenny- or penny-worth that is all you can expect. The steward showed me that he was giving good weight, because a lot of the bread was lying about on the ground; the men had not eaten it, and it was not a question of breaking the contract. I am not sure whether Captain Simpson wishes to suggest that this irregularity resulted in an extra profit to the Society, or an extra profit to the steward. If he is thinking about an extra profit to the society, I should like to state that the society made a loss of 56*l.* 3*s.* in running Bisley Camp last year.

5911. And even if they had made a profit it would come back to the soldier?—No, because the contract was for a given sum.

5912. Whom would it have gone to?—It would have gone to the profits of the society. Then the other point is, he says, beer was sold in glasses; but that he is clearly wrong about; there was not a glass in the canteen at all, and it is a very unusual thing, under canvas, to have glasses for beer. He may have been referring to the sergeants who run their own messes. That I do not know.

5913. Then at Question 3466 Captain Simpson says, that the managers get a bonus on the trade done at the end of the year, so that it is to their interest to sell as much as they possibly can?—We have never done that. We have not done it because it would lay us open to the accusation of paying commission, and paying commission means that our men might themselves pay back part of their commission to secure the trade. Might I exemplify that. Several firms pay 5 per cent., or a greater commission to their travellers, and if a traveller secures the trade of a canteen, representing 1,000*l.* a

Mr. C. B.
Heggule.

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month, his claim for commission on that job would be 50*l.*, and he could very well afford to give say 30*l.* or 40*l.* of that, and he would still be getting 10*l.* to 20*l.* for himself. Therefore my society has never given a commission of any sort to any of its employees.

5914. Have you come across any instances of the sort you have just mentioned?—It is a well-known thing in ordinary trade.

5915. You are only arguing by inference. You do not bring forward any specific case?—No, I only wish to state that we have never given commissions for that very reason—that it does lay one open to that accusation.

5916. You do not give your agents any commission on the trade secured?—No.

5917. For fear that it might be imputed that they bribed a man who was a salesman?—Yes.

5918. You have been accused by one or two of your critics of being unbusinesslike in your habits?—Yes, mainly because we are not quite understood. If a Commanding Officer makes a complaint to the society that the butter is bad, I cannot, as representing my committee who are dealing fair and square, admit that unless it is proved and therefore I have to challenge the complaint. An ordinary contractor on the other hand is only too anxious to hush up complaints and says "Certainly, sir, if you do not like it I will exchange it." I think I have a very good instance here, if I may read it, to show what took place in Pirbright Camp in 1900. We were asked to supply a certain butter—a sample of which had been sent to the Commanding Officer—and I wrote back in the first instance and said, "We should be very glad to do it if it could be procured" and if it was of better value than what we were giving, and I got this letter back: "Dear sir,—I have shown your letter of the 4th to the Commanding Officer and he regrets that the arrangement I made with your society on that day was not carried out, viz., that you should send at once for 260*lb.* of Best Creamery Blend at 9*d.*, at the same time enquiring whether he could undertake to supply this amount weekly. I beg to point out that this is fresh butter, that we have already sampled it, and that we preferred it to the butter previously supplied us; therefore it really does not appear that there is any cause for further sampling; all that is required is to ascertain (1) whether a large consignment would be equal in quality to the small sample, and (2) whether the amount we required could be continuously supplied. Both these points would have been settled by the arrangement I made with your assistant without further delay. As our men consume a great deal of butter, we are naturally anxious that, provided we can get a satisfactory article, they should benefit as soon as possible by the reduction from 1*s.* 1*d.* to 9*d.* a pound. The sample sent us was excellent, and if it continues up to sample we should like to use this butter quite irrespective of what any other regiments may elect to do. D— might possibly be able to supply one battalion regularly, although he might not be able to supply the whole brigade. I trust, therefore, that you may see your way to supply us with this butter as soon as possible." He rather resents my having taken the matter up. A great deal of correspondence took place, and eventually we discovered this gentleman was not selling butter at all, and the same officer writes to me on the 28th January: "Dear sir, I regret that owing to various causes I have not hitherto answered your letter of 15th December, and Mr. B.'s of 8th December. I quite see that I had misunderstood your previous letter, and that everything in your power was done to secure the butter at 9*d.* from Mr. D. I am sorry to find he has turned out to be an impostor, although glad that his imposition has been discovered. I confess I was completely deceived. The box he sent us tasted excellent and was liked throughout the camp. It is possible that this sample was some superior butter that he thought it worth while to send to secure our custom. I understood from Colonel — that you intended proceeding against D—. If this has been done I should be interested to hear the result." I handed all these papers over to the Irish Agricultural Association, and I believe the gentleman was run in, but I am not quite certain about it. Another thing I used to get a good many complaints about was this: they used to say our accounts were so badly rendered. It is the invariable custom in

the wholesale trade if you are dealing in large quantities and the calculation works out at something and a halfpenny, you do not put the halfpenny down, but you make a sort of give and take business of it, and I used to have these things brought back to me all scored down as inaccurate—perhaps a bill of 800*l.* The Commanding Officer would send it back to me with a most tremendous letter, though the result was that there was a difference of 2½*d.* or 3*d.*, which might be one side or the other.

5919. I suppose after one proof of that character that your methods of not counting halfpennies did not recommend itself to regimental officers, which one can well understand, you did not do it again?—No. But there are many instances where it is a fraction of a halfpenny, and you do not know which way to put it.

5920. For the purpose of accurate computation I should have thought it would be a proof of your accuracy to put down your halfpennies and your farthings correctly?—But there are many cases where it may be either one side or the other. It is not the Commanding Officer who does this, but the accountant wishing to make mischief produces this as a matter of proof of carelessness.

5921. You think that is due to malice?—I am certain it was on many occasions in the early days: it has all dropped latterly.

5922. We have had evidence from Major King, an inspector who seemed to have been very friendly to your society that the goods you supplied deteriorated greatly after your society had been in operation for a short time?—The best answer I can make to that would be to ask you to call Commanding Officers who are dealing with the society.

5923. You do not admit that the quality of the articles has deteriorated?—Certainly not. Our goods are always open to inspection, and frequently have been inspected in the dépôt. I should very much like officers like Colonel Kinloch, or Major Du Plat Taylor at Aldershot, where this row has taken place, or Surgeon-General Cuffe, or any of those officers who have seen a great deal of our work, should be called to give evidence on that subject.

5924. The evidence of Major King is that when at first you were exposed to competition your articles were good, but that when your business extended, and you were not exposed to the same competition, they appreciably deteriorated, that you do not admit?—No; we do not admit it for a moment. I do not know whether you would allow such a thing as a statement to be put in which was made at our general meeting by Surgeon-General Cuffe, who was the principal medical officer of the Southern district.

5925. We will hear what he has to say?—He said this: "During the time the Canteen and Mess Society supplied the southern district, I frequently took an opportunity during my inspections of examining the different things in the stores at Portsmouth, and whenever I looked in I always found everything in the most excellent order, and the very best kind of things obtainable. Since the Canteen and Mess Society lost that particular contract in the southern district, I cannot say that I was able to report in the same way about the good quality of the articles that were supplied." That is a man who has been there and seen the two systems.

5926. Evidence has been given before us that it is impossible from the nature of things that you can compete against a firm who has also a civil trade?—That I do not agree with at all. I quite agree that if our trade was very small we should be hampered to some extent; but when our trade got to anything like what it was before the war, 250,000*l.* or 260,000*l.*, the society was able to buy as well as any tradesman or any contractor in the Kingdom.

5927. And you could, I suppose, if you did not employ your own agents, employ the buying agents of the Co-operative Wholesale, and so get back your profits from that organisation, which is a much larger one than any industrial firm in the Kingdom?—Quite so.

5928. What do you do with your bad stuff when you have any?—We sell it back again on the market.

5929. To whom?—On the market. As a matter of fact, if your business is well managed, you ought to have very little. Before the days of refrigerators I

quite agree it was a very difficult matter sometimes. Butter was our greatest source of trouble. It might go bad, but it seldom goes bad now, if it is properly regulated.

5930. Do you find that the Co-operative Wholesale with whom you deal are willing to take back goods?—They have done so on more than one occasion.

5931. It is also stated by one of the witnesses that the rebate which you return to the Commanding Officer varies with competition or absence of competition?—That I absolutely deny.

5932. At Question 3067 a case is given at Caterham, where you had to meet the competition of a rival firm, where you paid the Commanding Officer about four shillings per man per month, and at Aldershot, according to the statement made before this Committee you only paid one shilling and sixpence per man per month?—I deny *in toto* the accuracy of the statement about the rebate, and also as regards our giving more at Caterham because of the competition. But as I pointed out before it is an absolutely impossible thing to give a uniform rebate. Circumstances differ everywhere, and in this place, Caterham, the trade is large, and there is little or no outside buying, and we are paying for the beer selected by the regiment 23s. a barrel. The Royal Army Medical Corps at Aldershot elected to have Hammerton's beer at 26s. a barrel, and in the R.A.M.C. at Aldershot a great many married people do not live in the lines, but the rebate for the last month at Aldershot worked out at 3s. 6½d.

5933. It is suggested that a local man is able to supply more cheaply than the men that have to send a staff from a distance?—There is a great fallacy in that. The consumer at Brighton has really to get his sugar from the docks in London whether we send it or the grocer does. I do not agree with that statement at all, that the question of carriage has much to do with it.

5934. Have you seen Bulford report?—No. We have a great grievance as to the way Major King behaved to us.

5935. I understood Captain King, who is personally favourable to the principles of your society, had reason to find fault with you for your want of business methods, and he has quoted to us Bulford report which the committee have not yet called for. Have you anything to say about Bulford?—I should like to say that a contract was made on certain terms. I will mention an illustration. Old potatoes had to be supplied to the 14th of July; a regiment unfortunately came down there, having had new potatoes before they got there, and naturally they objected very much to going back to old potatoes, with the result as I presume—I cannot say this for certain—that the inspector of rations condemned our potatoes and insisted on new ones being obtained. We had samples carefully drawn and brought up, and they were tested by the committee; and I can lay evidence before you, if necessary, to show that those potatoes were perfectly good and perfectly sound. But the net result was that the society was put to a loss of some 180l. in connection with that complaint. The contract was made up here; and it was laid down at what prices the goods should be sold, and that new potatoes should be started after a certain date for the whole of the camp that season. Then as to salt butter. We described the salt butter in our form of tender as extra choice, and it is the same butter as is kept in our list; the list was sent him every month officially. He had seen this butter scores of times throughout the institutes, and yet when a complaint arose he immediately said we ought to supply fresh butter. We had no court of appeal, and we had to supply fresh butter, with the result that the fresh butter went absolutely wrong; it would not keep under canvas, which we were perfectly well aware of, and we lost very nearly 140l. by trying to carry out that order. The society had taken the trouble to have all the salt butter put into tins at an extra cost of something like 6s. a cwt., so as to be quite sure that the butter was perfectly sound when the tin was opened, and yet this was quoted against us as being inferior butter. I would like to state that Colonel Reeves, at my express wish, being on the committee, but having no pecuniary interest in it whatever, came down with me and spent the whole week-end going round the camps and investigating the position of affairs. The Brigadier-General at Shrewton Camp—I cannot remember his name—distinctly stated that if he

wanted to find a complaint he could not find one throughout the whole of the camp. The following letter was received a year after the camp was closed from one of the regiments served:—“Volunteer Armoury, Brecon, 29th April 1901.—Dear Sir, I would be much obliged if you would let me know if the Canteen and Mess Society would undertake to do the officers' mess and the canteen and grocery bar of 1st Volunteer Battalion South Wales Borderers, during the seven days camp this year which will be held at Porthcawl, Glamorganshire; also all particulars of what they would charge if they would undertake it. The canteen and grocery bar were run by them at Salisbury Plain (Bulford) last year, and the men of the battalion were delighted with the cheapness and good quality of all supplies. Yours faithfully (signed) J. Going, Captain and Adjutant, 1st V.B. S.W. Borderers.” I may add that although Bulford Camp was the first time we had ever come into contact with this regiment, we provided their canteen and grocery shop in camp last year, and have been asked to do so again this year. Yet in the face of that we get all these troubles thrown on to our shoulders.

5936. What sort of butter is it that you sell?—Irish butter.

5937. And where is it purchased?—In Cork.

5938. Through the Co-operative Society?—Some of it is? We buy it from several sources in Cork. I could tell you what this particular parcel was.

5939. Is it not quite likely, as Major King says, that this butter may not have been up to the standard?—My answer to that is: We had it up to London; it was tested by several members of the committee including two doctors; it was sent for analysis, and we could find absolutely no fault with it whatever.

5940. Was it sent to the Government analyst?—No, because we have no business with the Government. But I presume Major King sent it to the Government analyst. But we have an analyst whom we employ regularly.

5941. Who is the analyst that you employ?—Bernard Dyer.

5942. Do you submit many of your articles to him?—Constantly. We pay him a certain fee, which covers so many analyses a year—perhaps 100 or something of that sort, and then if we exceed that number we pay him so much more for anything we send him down.

5943. How many analyses do you have a year do you suppose?—I should think 50 or 60.

5944. You do not analyse samples of all the articles you buy, but only where you suspect them to be inferior?—Whenever we have any doubts we analyse.

5945. Following out your evidence given the other day what do you suppose would be the amount of capital required to apply the Rochdale principle throughout the whole of the canteens of the Army; have you looked into that question?—Yes, I looked into it because I saw a letter in “The Times” that some expert had stated that a million would be required. Well, I should be extremely pleased to do the work on 200,000l., and I should think 150,000l. would do it; and I base my calculation on the fact that there are, say, 300 institutes at 200l. a piece for stock, and, say, 14 depôts carrying 4,000l. each. That would be 116,000l.

5946. (Major-General Eaton.) And how much for buildings?—I am talking of the money which would be necessary, of course you could get mortgages on your buildings to a considerable amount. But I have given myself a big margin for it. I have put 116,000l. as what it looks to me like on paper.

5947. (Colonel Bridge.) Have you made any calculation as to what the total canteen trade of the country would be?—I have worked it out as at an average of 1l. a man per month. May I mention one other matter? It has been brought to my notice that a deputation of Aldershot tradesmen are going to be called before you, and I want particularly to take this opportunity of putting some facts before you. First of all as regards quality. The inspectors under the Food and Drugs Act were requested by some representatives of this agitation to go round and test our supplies, and I want to hand you in the results.

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5948. (*President.*) Who took the samples?—The Food Inspector. He then left duplicates with us, telling us of course that we were to hold them in case of a complaint, but now he has notified us we can destroy the samples.

5949. (*Colonel Bridge.*) Where did he take them from?—He took them from our canteens. He went and paid surprise visits and took them in that way. Then they have also made accusations against us that we supplied margarine for butter. That is, I think, best answered by a letter from the Colonel Commanding the depot R.A.M.C. at Aldershot. He writes to me:—"Secretary Canteen and Mess Society. In reply 'to your question, I beg to state that margarine is supplied to the companies R.A.M.C. at the depot with my full knowledge and sanction, and in lieu of butter, not as butter, as it is liked by the men, and the messing is thereby cheapened to them. The canteen steward has been in this position for six years, and is a pensioner of the Medical Staff Corps, and I have full confidence in him, and I am satisfied that his dealings with the men are fair and above board. I inspect the supplies daily. The column 'butter' as printed in the messing books remains, but no fraud is perpetrated upon the consumers." It is a technical question, really. The messing books are always printed "butter"—margarine was not contemplated when the form was approved, and this steward apparently for six years has been supplying margarine at 8d. The price shows what it is, and the men know perfectly well. It is not sold over the counter.

5950. (*Colonel Bridge.*) Who is the writer of that letter?—Colonel James, the Officer Commanding the depot.

5951. (*Major-General Eaton.*) Might not your people have sold it by mistake?—They might have done so, but as a matter of fact they have not.

5952. (*Colonel Bridge.*) In fact the order was for margarine?—Yes, certainly; and we supplied margarine.

5953. (*President.*) It has been stated that the society are injuring local trade?—In answer to that I may say that in the month of March we had no less than 30 tradesmen supplying the canteen and mess at Aldershot, and the amount of trade done was 730l., apart from the brewers, who are not strictly local people.

5954. And I suppose the local tradesmen are just as much affected by Messrs. Lipton or Dickeson as by you?—More so, because they do a retail civil trade, which we do not do.

5955. You confine your operations to the soldier, whereas they make the canteen the excuse of putting up a shop for civil business?—Exactly.

5956. (*Colonel Bridge.*) What do you put the whole canteen trade at?—I should think 2½ millions.

5957. I made it 3½ millions, taking in the camps and everything else?—I daresay you are right, if you include volunteers and militia.

5958. (*Colonel Lambert.*) I do not know whether you explained to the Committee how you choose the employees of your society?—I told them that we employ reservists as far as possible.

5959. Did you explain how they were chosen?—No, I do not think I did.

5960. How do you choose your employees?—We take as far as we can reservists and pensioners from

men sent to us by Commanding Officers of the regiments we are dealing with. That is for the unskilled labour. The skilled labour we obtain from other co-operative stores or by advertisement in the ordinary way.

5961. What is your system of supervision of the people you employ?—Do you refer to our depôts or outside?

5962. Generally speaking, what is your system? You are responsible, I assume, to your committee?—Yes.

5963. What is your system of supervision of those who are employed under you?—We divide ourselves up into departments. We have a chief accountant who is responsible for all the accounts and for all the men under him. We have a buying department with an expert buyer, who is responsible for all the buying, and his clerks. We have a foreman warehouseman who is responsible for the labour in the warehouse and all the men under him. For the outside work we have a system of canteen inspectors, and those canteen inspectors are responsible for the working of the canteen and the staff of the canteen. There is also attached, as a kind of subsidiary branch of that, what we call the tenant canteen department where all questions of accounts of tenant canteens are dealt with—the system being that for every tenant canteen we have we keep a separate set of books in London, so that if the local books are tampered with, or if the steward gets behindhand with his work our books in London put us in a position of knowing exactly what money he ought to return.

5964. He exercises in the canteen system the same supervision over the employees that one of the canteen committee would exercise in a regimentally conducted canteen?—The canteen manager takes the responsibility on the spot.

5965. The single canteen manager?—Yes.

5966. May I ask you how you secure the probity of your employers?—Those who are dealing with money have to find security either by guarantee policies, or by deposit of cash—I prefer the deposit of cash.

5967. Will it be within your scope to mention any of their scales of pay?—I have not the slightest objection. We pay the canteen stewards practically the amount laid down in the regulations—5s. a day, and we give them their rations.

5968. Have you any reason to think that those who would take it if it came in their way, get any unascertained profit from anything?—I think that they want careful and constant supervision.

5969. Who is responsible for the management of the local buying—that is, the milk, potatoes, and such things as are best obtained locally?—It is the canteen inspectors' duty, primarily (who reports to the London office), to see if the prices appear to be fair.

5970. In what proportion are the canteen inspectors to the canteens?—We are in a transition stage just now, but I do not think a canteen inspector should have more than about six or seven canteens. But I may qualify that in this way, that if a canteen inspector is in a place like Aldershot, he can naturally do three or four times the amount of work than he can if he is in a district where he has to travel several miles from one canteen to another.

Adjourned to Tuesday next at 11 o'clock.

TWELFTH DAY.**At the War Office, Pall Mall.****Tuesday, 6th May 1902.**

PRESENT:

EARL GREY, President.

GEORGE HARWOOD, Esq., M.P.
Major-General H. F. EATON.
Colonel C. H. BRIDGE.

Colonel J. A. LAMBERT.
Major L. A. M. STOPFORD, D.A.A.G.
Captain E. H. BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary.*

Staff Quartermaster-Sergeant ARTHUR GEORGE WELLS, called and examined.

Staff
Q.M.-Sergt.
A. G. Wells.
6 May 1902.

5971. (*President.*) You are Quartermaster-Sergeant in the Army Service Corps?—Yes.

5972. Are you a dining member of the sergeants' mess at Aldershot?—Yes.

5973. As far as the sale of beer and liquors generally and spirits goes, do you employ a tenant?—Yes, we do.

5974. The old practice of having a sergeant caterer to sell liquor and take money is entirely abolished, is it not?—Yes.

5975. Do you yourself and the men generally—the members of the sergeants' mess—like the change?—As a member I like it, and if I were sergeant I should welcome it from the fact that I should not have to do the duty of caterer. I have done that myself when I was sergeant of the transport, and it was a month of misery to me.

5976. Who looks after the food?—We do ourselves. It is a non-commissioned officer's duty.

5977. Would not you prefer to have the whole thing transferred?—No; it would not make a great deal of difference to me perhaps, but I mean to say I do not think the sergeants would welcome it all round. It is the men that have to take their turn at a duty which not many of them like.

5978. (*Colonel Bridge.*) That is the feeding alone, and, of course, there is no possibility of making any profit, because everything comes from the canteen, is not that so?—Yes.

5979. So that there are no money transactions practically?—No, not at all—no money transactions at all.

5980. (*President.*) You do not speak for the sergeants and members of the mess generally, or can you say do they like or dislike the change. What is your opinion?—I think they welcome it. I think they prefer the change.

5981. They are glad to get out of the position of having money difficulties?—Yes.

5982. Either the temptation of making the money, or on the other hand the risk of running short?—Yes, that is the thing. As far as I am concerned when I first went to the mess I knew absolutely nothing about it, and it was one month of misery to me as to whether I was coming out clear or how things were going to happen. I think I could safely say the average sergeant would much rather not be caterer.

5983. (*Colonel Lambert.*) What is the membership of your mess?—We have over 100.

5984. What profits do you get under the present system?—It averages about 55*l.* for the last month. I think we can say it averages 50*l.*

5985. It averages 50*l.*?—That is the rebate.

5986. Is there a fixed rebate?—Yes, there is; as regards the canteen there is. It is 15*l.* 10*s.* per hundred men per month.

5987. And the sergeants' mess?—I think that is the same. It averages about 55*l.* per month.

5988. They give you 15*l.* 10*s.*?—They give us 15*l.* 10*s.* in the canteen.

5989. But keeping to the sergeants' mess; what do they give?—The rebate, I believe, is so much per cent. on the takings for the month.

5990. Do you know how much it is?—I only know the average. I think it is about 55*l.* per month. I think the last month was 55*l.*; but it averages, I think, about 50*l.*

5991. Who is the tenant?—Dickeson.

5992. What staff does he use for the purpose?—In the sergeants' mess, are you referring to?

5993. Yes?—He has a manager and two civilian waiters.

5994. The number of dining members is what?—They are about 65 I think it is, to be precise.

5995. What number of honorary members are there?—At the last mess meeting we had 20—19 or 20. I would not be certain, but it was either 19 or 20 on the list.

5996. Could anybody obtain anything to drink in the sergeants' mess except the honorary members?—No.

5997. Do you know how 50*l.* per hundred sergeants as the total number (that is the rebate) compares with what was credited in your account books of the sergeants' mess under the old system of a caterer?—Yes. It is an advantage to us considerably—a financial advantage.

5998. In addition to obviating the risk of loss to the caterer it is a substantial advantage to the sergeants' mess itself, is it?—Yes, it is—taking the caterer out of consideration of course, because if the caterer lost money he would have to make it good himself.

5999. Is there any system of credit, directly or indirectly, given in the mess?—No.

6000. Is it all ready money?—Ready money.

6001. Paid over the counter?—Yes, paid over the counter.

6002. Do the waiters bring the drinks to the members or not?—They bring the drink to the members in the evening if we are playing cards there. We ask the waiter who has to take the money from us for the drinks and he brings it and also hands us the change.

6003. Who chooses the various drinks which are sold in the mess by the tariff?—I do not quite understand that question.

6004. Who chooses the quality of the beer from the various qualities of beer?—I could not say who chose the quality, but I believe that if we have any complaint to make about the quality of the beer we simply refer to Mr. Dickeson. As regards the brewers it is under the Officer Commanding, and he can order any beer.

6005. But you cannot say who ordered the particular beer?—No, I cannot say who ordered it.

6006. Nor can you say at what price Dickeson buys it from the brewers?—No, I cannot.

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6007. (*Colonel Bridge.*) Does it not come from the canteen, or does it not pass through the canteen?—No.

6008. What are the retail prices at which some of the beer is sold?—Mild is 1d. a glass, bitter 1½d. That is the drink usually sold. Old and mild is 1½d.

6009. Is there any so-called India pale ale?—No, but there is Alsopp's bottled ale and Bass there.

6010. The price at which the trade get these is unknown to you, is it?—It is unknown to me.

6011. (*President.*) If there is a surplus does not the whole profit go to your mess?—We have a rebate from the contractor on the takings of the mess, and it averages, so far as we are concerned, over 50l. a month.

6012. (*Colonel Lambert.*) But there is a fixed sum given—the contractor contracts to give a fixed sum as rebate?—Yes. He gives so much per cent. on the gross takings of the mess.

6013. Therefore it is to his advantage is it, or is it not, to sell as much as he can?—Decidedly it is, and it is more to our advantage for the matter of that. The more he sells, of course, the more we get, and I presume the more he makes.

6014. (*President.*) And the more you pay?—Yes. But it is not for him to serve anybody.

6015. (*Major-General Eaton.*) Who makes the contract?—The Officer Commanding.

6016. And the dry goods?—Yes.

6017. What is the length of the contract, do you know?—Six months.

6018. You have a sergeants' mess committee, I suppose?—Yes.

6019. How often do they meet?—Once a month.

6020. And they go into all the prices, and so on?—Yes. Their accounts are passed round to the members after they have been read and explained by the regimental sergeant-major.

6021. Supposing they did not approve of the goods supplied by the contractor, what would be done?—Then we should make a report through the Adjutant to the Commanding Officer.

6022. (*Captain Boehmer.*) You spoke of a percentage. Do you know the percentage on the takings that the tenant gives?—No, I do not. I cannot say that off-hand.

6023. (*Colonel Lambert.*) Do you obtain the whole of your supplies for the canteen at the same price as the men do?—Yes.

6024. What rebate do you get on that?—From the contractor?

6025. Yes?—Nothing. The rebate goes to the canteen.

6026. But do you mean the sergeants' mess does not benefit by the rebate on each?—Yes, it does from the canteen. They get 6 per cent.

6027. So you do get it indirectly?—We do, but through the canteen.

6028. The feeding or the catering—the messing so to speak—that is carried on by one of your own members is quite satisfactory?—It is, by three; a committee consisting of a president and two members.

6029. But you have a caterer as well, I presume?—No, but we have one looking after the mess books who orders the goods and keeps the accounts.

The witness withdrew.

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Mr. THOMAS ERNEST POLDEN called and examined.

6030. (*President.*) A suggestion was made to this Committee by Mr. Jeffreys, who is your representative in the House of Commons, that the Committee might take your evidence upon some matters affecting the management of Army canteens, and we have responded to his suggestion and invited you to come here. I should like to know what capacity you come in, whether it is as an individual or as a representative of the traders of Aldershot?—I might put it that I come as representing the traders of Aldershot if you like.

6031. How were you appointed representative of the trade?—We formed a small committee at Aldershot, of traders, and we then made an appointment with Mr. Jeffreys and that committee called upon Mr. Jeffreys and expressed our views.

6032. Was that committee a privately-appointed committee?—Yes, I was chairman of it.

6033. That was a committee of your own friends and yourself was it?—No, I will not say that. I do not live at Aldershot. Polden Limited is only a very small item in my business. I have got another business.

6034. What is your business?—I am a director of three big hotels. I am a director of a theatre and I am interested in a place in the City. In addition to that I am a printer and publisher, so that my time at Aldershot means about three or four hours a week.

6035. I should like to know how you came here as representing the tradesmen of Aldershot?—Because we are the largest employers of labour at Aldershot. I have been treated in a sort of way at Aldershot that if they want to get up an agitation or anything of that sort they come to me for it.

6036. As being the most effective spokesman they can employ?—No, not at all. They have got some very good spokesmen at Aldershot and a very bad one in me.

6037. How many men do you employ?—Over 300 at Aldershot. We have also a business in London.

6038. Did they come to you or did you go to them to get your authority?—They came to me. I was asked. In Aldershot we are running a paper called the "Aldershot News," and we have taken up the grievances of soldiers, more especially at Deep Cut Canteen. They heard that the business was likely to be taken away from Aldershot to a very great extent, if the Government took the matter over or the War Office took the matter over, and they came to me and

asked me if I would assist them in this deputation to Mr. Jeffreys, and I was very pleased to do it.

6039. Who is "they"?—Now we are getting on to rather delicate ground.

6040. But I want to know whether you speak as an individual, or as representing a class?—They happen to be the principal traders in Aldershot. But do not you see, unfortunately for the traders in Aldershot, although they happen to be so, we are not all quite in the same position. For instance, I and my firm, Polden Limited, although we do a big Army business, it is not our business entirely—we understand the Army.

6041. What is the business you do for the Army?—We do printing and publishing for the Army, but that is only an item in a big printing and publishing business. But when you begin to talk about Aldershot traders, you talk about men who, as traders in Aldershot, have to depend upon the military people for business, and these traders cannot afford to make any enemies among the officers at Aldershot.

6042. Then I understand that you were approached by a certain number of tradesmen and asked to see your member, Mr. Jeffreys?—Yes.

6043. This committee was not the result of any publicity or any public-meeting?—No.

6044. It was a purely privately-appointed committee?—Quite so.

6045. What is your fear as to your local trade at Aldershot being affected?—The fear at Aldershot seems to be that if the War Office formed a department to supply canteens, the open trade would, to a certain extent, be affected. At the present time there are some canteens that are perfectly free at Aldershot, and they can deal with the town, and if the War Office formed a department to run these canteens they would naturally be affected, because they would have to get their supplies from the War Office.

6046. Then does that apply also to the Canteen and Mess Co-operative organisation? Has it the same effect?—The Canteen and Mess Co-operative Society do not deal at Aldershot. Of course, they are very strong competitors against the open trade at Aldershot.

6047. How do they compete against the local trade in Aldershot more than Dickeson?—A great deal more, because they have got so much more influence.

6048. Have they got a shop in the town?—No, but they have got a store in the town.

6049. The canteen have?—The Canteen and Mess Society have.

6050. Is not their work or trade confined to the soldiers?—Yes.

6051. Do Messrs. Dickeson and Messrs. Lipton deal with the civil population?—Yes.

6052. Then the Canteen and Mess are not such dangerous competitors to the local traders as Dickeson and Lipton?—No; the local traders do not take that view. The view that the local traders take is this—we are perfectly prepared to meet ordinary competition, but we say, to the Canteen Mess, this is unfair competition.

6053. Why?—Because of the enormous amount of influence. I could give you a case in point.

6054. But let me put it in this way first: Messrs. Lipton and Messrs. Dickeson compete against the Aldershot tradesmen not only *quâ* the Army but *quâ* the civil population. That is a fact, is it not?—Yes.

6055. The Canteen do not. They confine their business to the Army alone?—Yes.

6056. Now, would not it be fair to argue that Messrs. Lipton and Messrs. Dickeson, who are doing a big trade for the Army without paying any rent, and using National buildings, are enabled to compete against the civil population on advantageous terms when they have their business as an adjunct to their Army business?—But I cannot accept these statements. Messrs. Lipton and Messrs. Dickeson both have establishments in the town where they pay their ordinary rates and taxes like anybody else.

6057. Of course they do?—They have no Government buildings given to them, or establishment.

6058. They have in their Army canteen?—Yes, certainly, and so has the Canteen and Mess.

6059. The only difference between Dickeson's and Lipton's and the Canteen and Mess, so far as I understand, is this. They all enjoy the same advantages *quâ* the Army, but Dickeson and Lipton do compete against the other tradesmen for the civil trade and the Canteen and Mess do not. Is not that so?—Yes, quite so.

6060. That being so, how is it that you, representing the Aldershot tradesmen, ask us not to give any more business to the Canteen and Mess Society, which does not go in for the civil trade, but to give the Army trade to other firms who do compete with them for that civil trade?—We do not ask you for one moment to do anything of the sort. We, as traders of Aldershot, only ask you to give us fair competition. For instance, let me point out this to you—and I have not come here to tell you any fairy tales, but facts. Some short time ago we wanted for our business purposes a price list of the Canteen and Mess, and we sent up one of our representatives, one of our travellers that is, to an officers' mess sergeant, and we said to this officers' mess sergeant, "I wish you would oblige us with 'last month's Canteen and Mess prices.'" He said, "I have not got one, but I can get you one if you want it particularly." Our traveller said, "We do want it particularly." He writes up to the Canteen and Mess. Next morning he is called upon by a Major in a cavalry regiment, who asks him whether he has written for a price list. The sergeant said, "Yes, I have," and then the Major said, "You know if you will deal with our people I shall be much obliged to you—we can do it much cheaper for you than you can do in town—here is a price list, and they are going to send you one; but can you give me an idea of what goods you want and what you pay for them, and I will see our people do it better for you." The sergeant was in a very awkward position—he was talking to a gentleman in undress uniform in Aldershot, and he said, "The fact of the matter is we do not want any goods just now or any change"; and he said, "If you cannot do anything in that matter I must go and see the mess president," and he does so, and the mess president comes back to the sergeant and says, "Look here, what do you mean by writing up to the Canteen and Mess. We do not want a change and we are quite satisfied, and I object to these officers coming and 'touting for grocery establishments.'" Now I submit to you and these other gentlemen that that is unfair competition.

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6061. What was the object of this cavalry officer in undress uniform—was it to make money for himself?—Not at all. That is where the officers make a mistake. They are not making money for themselves, but they are overcharging the soldiers at the same time. The officers do not know what is going on with the Canteen and Mess, and if you like I can tell you what is going on at the Canteen and Mess. I could give you that officer's name with pleasure, but not for the Minutes.

6062. The Canteen and Mess is an institution which divides the whole of its profits among the soldiers in proportion to their purchases?—If they make any profit.

6063. The indictment against the Canteen from an outside point of view is that they are not good business people, and they do not run their business on business lines?—No, they do not run it on business lines.

6064. But we are getting rather away from your grievances against the Canteen and Mess—that is that they are unfair competitors against the local tradesmen?—Yes, that is right.

6065. Therefore we will just confine our discussion to that point, before going into the other points that you raise?—Yes.

6066. I should like to ask whether you are aware what is the proportion of their supplies that they sell to the soldiers, coming from local tradesmen, to the goods that they retail to the soldiers?—No, I cannot answer those questions.

6067. If it was established that the Canteen and Mess bought a larger proportion of the goods that they sell to the soldiers from the local tradesmen than Dickeson and Lipton do, then, I suppose, your argument that it is unfair competition would fall to the ground?—No, not at all.

6068. What is the ground of your objection then?—What we want at Aldershot, and what they want in most garrison towns, is fair competition. Take the case for a moment of a store in Aldershot, called the Home and Colonial Stores. It would be a real treat for the buyer of the Canteen and Mess to go into the Home and Colonial Stores and see their goods and prices to-day.

6069. Do you speak in the interests of the soldiers or the Colonial Stores?—Absolutely in the interests of the soldiers.

6070. You have really come to give evidence in the interests of the tradesmen? We have had other evidence in the interests of the soldiers as to where he can buy his goods most cheaply?—Quite right; but I should like to point out this to the Committee on this point, that we are running two newspapers, the "Aldershot News" and the "Military Mail," and we are alive to the fact that if this attack we have made on the Canteen and Mess is wrong, they can do our business with the Army a certain amount of harm, and we are running a certain amount of danger at the present time. Since we have spoken out in our own papers about this Canteen and Mess, we have had several accounts closed.

6071. That is, you have lost business?—Officers who have been doing business with us have discontinued their custom with us, and I say this, therefore, that we are absolutely out for fighting for the soldier, and I will give you a small point, if you will take it from me for a moment. I, perhaps, know a good deal about canteens. As a boy, I used to be sent to canteens to buy my father's goods from them, and I am the son of a guard soldier, so that I am not fighting against the officers, I am far from it—I am particularly anxious to protect them, and I am going to show what they have been doing with the canteen mess. Take Deep Cut for a moment, and what happened at Deep Cut. There was a married Artilleryman at Deep Cut. We know his pay is 7s. a week. His wife washes for 10 men, and you, gentlemen, who know the Army, know what that means. She gets 4d. a day from each of those men for washing. That means she has to work from morning to night doing this washing. That makes her income 3s. 5d., and that makes altogether 10s. 5d. That is, that the man and his wife and his four children have 10s. 5d. Now when they have made that 10s. 5d., I should say they should have value for their money at the canteen they have to go to. Now will you follow that for a moment, and see what happened to that woman? They were selling butter at that canteen which contained more water than it should contain. They were selling margarine at that canteen for butter, which means that they were liable to a very heavy fine

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under the Food and Drugs Act. They were selling lard at that canteen which was really disgraceful. They were selling coffee and chicory at that canteen in plain bags, and we submitted it to the wholesale grocers in London, and they said it was disgraceful coffee, and we had it analysed, and all their goods, with very few exceptions. Their tea and coffee in tins were all right, but otherwise their goods were quite 15 to 20 per cent. above in price what they should be. Now, I say, that is wrong; and, I say, the only way to stop that is by attacking this society in the press.

6072. Have you brought all these facts out in the press?—I have a great many of them, and I will send you a copy of each one.

6073. How long have you started attacking the canteen mess?—We started about six weeks ago. I will send you a complete set, with pleasure, if you like to read them.

6074. But I want to arrive at the principle of your attack against the canteens, and I understand, first of all, your main objection is that it is unfair competition?—The Canteen and Mess—yes.

6075. That is because they take advantage of the influence of officers in order to extend their business?—Yes.

6076. Now, have you ever heard of a Canteen and Mess bribing canteen managers?—Yes, I have heard of it.

6077. You have heard of other people, too, I suppose?—Yes.

6078. It is common in the trade, is it?—I will not say that.

6079. I mean this practice of giving commissions is common. I am not talking of the Army alone, but of all over Britain?—No, not at all. The profits are too small in the groceries to give commissions upon them.

6080. You have never heard such cases as a man not receiving a bribe putting out his butter under the sun in order that the inspecting officer when he comes shall have a bad opinion of the article, and change his quarters from which he gets it?—I should not say I have heard of that particular case.

6081. You have heard of similar cases?—No, I will not go that far. I heard of this case the other day, if you like to take it. In the "Military Mail" we accuse the Canteen and Mess of supplying margarine. Of course you must not supply margarine unless you have it labelled and put in a paper saying it is margarine. We accused a certain canteen of selling margarine, and the manager of the Canteen and Mess immediately went up to this canteen and said, "What is all this I read in the paper about selling margarine? You know you have never had margarine," and he (the canteen manager) turned round and says, "It is no use talking to me like that," and he took him into the back room and showed him the baskets, and said, "You know what my instructions are. I get this margarine in these baskets, and my orders are to burn those baskets at night."

6082. What canteen was that at?—Now, is that going to get the canteen steward into trouble?

6083. Who is the tenant of this particular canteen?—The Canteen and Mess?

6084. You need not put the individual case, but just give it to the Committee, and it will not appear on the notes. It is only in order that we shall pursue our inquiries?—Do you mind letting that go on and see where we get to?

6085. Yes?—The Canteen and Mess originally used to do business with a company in the city called the Wholesale Co-operative Supply Association, or some name of that sort. That is a society that was formed some years ago to supply co-operative societies throughout the country. They are in the happy position at present of turning over 18 millions a year free of income tax. Of course that is one of our great grievances, too, against the Canteen and Mess, and that is unfair competition. Traders all have to pay income tax, as you know, and the Canteen and Mess are exempt.

6086. Is that because they are under the Industrial and Provident Societies Act?—Yes; but all these big societies really ought to pay income tax. That is only fair.

6087. That is a thing for the House of Commons to decide?—That we can go into later on.

6088. We cannot go into that?—No, but I am only pointing that out. You asked me what is unfair competition, and I am telling you. Now this big wholesale company in the City turn over about 18 millions a year. That is a very big business. They supply the co-operative stores throughout the country. They used to supply the Canteen and Mess, but now they say their goods are too good for the Canteen and Mess, who are buying a much lower grade of goods.

6089. (Major-General Eaton.) What proof have you that they said that?—I will prove every statement I make here—every statement.

6090. Then I should like that to be proved?—I will prove that for you then. The Canteen and Mess used to deal with the Wholesale Co-operative Society, but they do not deal with them any more, because their class of goods are too high for them. The Canteen and Mess' trouble all lies in their buying. Their buying is wrong. Their buying being wrong the soldier suffers, and the officer does not know what is going on. It is very much like the gentleman in the drawing room who never knows what is going on in the kitchen. That is the matter with the Canteen and Mess. You would be astonished at it, and in fact I had an idea of bringing some samples.

6091. (President.) You would say if they did buy from the Co-operative Wholesale Society, they would be buying from experts?—Yes.

6092. The man in the kitchen would be buying, and not the man in the drawing room?—Yes, but do not you see it is all a matter of the buying? The whole sum of a big business is in the buying.

6093. If the canteen were to buy from this great Wholesale Co-operative Society, they would be buying from expert people?—Providing the buying was all right. The whole important thing in business is the buying.

6094. Does not the buyer understand his business at the Canteen and Mess?—I know nothing about him, but from the goods I have seen I should say he knows very little about his business.

6095. That is the goods sold by the Co-operative Society?—No, it is not. The goods the canteen messman has to buy to-day, or that they were buying five or six weeks ago were a disgrace to their buyer. He may be a perfectly straightforward gentleman but he may be also a bad buyer. I may say we bought, amongst other things, at one of these canteens a tin of salmon—

6096. (Major-General Eaton.) Who is "we" may I ask?—The "Military Mail."

6097. Are you buying goods from the canteen, because you say "we bought them"?—That is the "Military Mail."

6098. Are you a member of any of these firms?—No.

6099. Then you do not mean to say that we the "Military Mail," have been buying goods from the canteens?—From the Canteen and Mess—it is from it.

6100. The "Military Mail" is a newspaper, is it not?—Yes.

6101. How can it trade with the canteen at all?—A newspaper reporter can do anything almost, as a rule, or the representative of a paper can do anything.

6102. Then have you got an expert knowledge of grocery stores?—No.

6103. That is what we are talking about?—But we submit all these to experts.

6104. What experts do you submit these goods to to get these adverse reports?—Wholesale houses.

6105. What wholesale houses have you submitted these goods to—these selected articles that you have bought through your reporters from the Canteen and Mess stores? To what wholesale houses have you referred them?—Most of them to the wholesale house that supplies the Home and Colonial Stores.

6106. Perhaps you can put in their report?—I will ask their permission; but the Home and Colonial Stores to-day are buying the best goods in the market, and people who go to them get the best value for their money to-day.

6107. Have you shown any of these things to Dickeson or Lipton?—No.

6108. You have nothing to do with them?—I know them both.

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6109. But you have nothing to do with their business?—No, not at all.

6110. You are not a shareholder in them?—No, not at all.

6111. (*Captain Boehmer.*) Have you taken samples from the canteens supplied by Dickeson and Lipton as well and sent them to the wholesale people?—No, because we have only just made a discovery, and that discovery is this, that these canteens now come under the Food and Drugs Act, and we did not know that a few weeks ago. But now, what will happen in future will be that the Inspectors of Food and Drugs will walk into these canteens and take samples, and they will do the work that the newspaper has been doing, but they will do it much better.

6112. But you have only found it necessary at present to take samples from the canteens supplied by the Canteen and Mess, I understand?—The answer to that is that we have had no complaints from these other canteens. We have only had one complaint within the last two months of a canteen, and that was about the potato supply of Messrs. Dickeson.

6113. Did you show up that complaint in your paper?—No, because we found it was not true. We rather found it to be a put up complaint.

6114. (*Mr. Harwood.*) The Canteen and Mess societies really are the thing you are hunting just now?—No.

6115. I know what newspapers are, and that is the thing you are on—you are not on Dickeson, or Lipton, or the general canteen question, but the Canteen and Mess Society, and that is what you have got your teeth into?—Do not put it in that way. At the present time we are making an attack upon the Canteen and Mess, and we are being supplied with copy because we are on that.

6116. Quite legitimately; you are on that just now?—Yes, we are on that.

6117. And that is on trial before you. If you are not on the general canteen system you are on this particular society?—If we had a complaint to-morrow morning about Messrs. Lipton and Messrs. Dickeson, we should take up the question in precisely the same way.

6118. I only want to know that, and that is precisely what you are on now?—Precisely the same way we should take it up.

6119. (*President.*) But you are fighting a point of principle, I understand, as well as a detail of management. Bad butter or margarine is very bad, but it can be corrected, but you are opposed to the whole principle of the Canteen and Mess?—No, I do not agree about the margarine. You must not sell it for butter.

6120. But that is a thing which might be done by Lipton, or Dickeson, or anybody else?—No, they dare not do it. Margarine is worth about 4½d. a pound.

6121. I know it is an act of dishonesty, and the Committee does not differ from you in your opinion upon that; but I say the ground of your attack against the Canteen and Mess is on the point of principle, that it is a society which has unfair advantages because it has influential officers trying to extend its business, and the other reason you have given is that they do not pay Income Tax, whereas their competitors do. Those are your two objections that you have formulated up to the present?—And also that the goods are wrong. For instance, if you take up the Army Book 48 for a moment, which is the Army Book for groceries, you will find that that reads "butter," and we say that if a man is supplied with margarine for butter that is wrong.

6122. That is obvious, but that is a matter for the regimental officer and inspector to see that that is right?—That should be their business, but if they do not do it, it is also the business of the paper to point these things out occasionally.

6123. (*Mr. Harwood.*) Is your opposition to this particular society based simply upon the fact that it does not supply such things as they should, or does it lie deeper; that is, are you opposed to the society on some principle of its organisation and therefore find evidence to damage this society because you dislike it?—No, I do not think that is quite the right way to put it. I am personally not the "Military Mail."

6124. But as a pressman, if I may put it so, you do not like the principle of the society—you say so—you

do not think it fair?—No, but wait a moment. This co-operative principle is a very good principle, and if it were properly worked I could not as a trader point out many drawbacks to it in principle, but the way in which it is being worked now is that it is being worked against the soldier, and the officers who are connected with it if they are working against the benefit of the soldier do not know it. For instance we have had information sent us as to Lord Methuen. We know Lord Methuen would not have anything to do with supplying improper goods to his troops—we know he would not be a party to that, but it was such a serious letter and came from such good quarters that we were astonished at the statements made in it, and we have written out to get particulars.

6125. Supposing the Canteen and Mess Society provided articles as good as Dickeson or Lipton you would have no objection to that at all?—Not the slightest.

6126. You do not object to the principle of the society?—Not the slightest. I do not admit Dickeson and Lipton are the best people.

6127. No, nor anybody else, but it does not matter?—I say the best people in Aldershot to-day are the Home and Colonial Stores for goods. We have a lot of people at work, and we hear of things by our work-people too. They are out for buying goods at the best market. You know if in London a man is charged a bit extra for his goods it does not very much matter, but when you get a soldier and his wife with their small income it makes a terrible difference. Then here is another thing which is very serious. I gave Mr. Jeffreys this information at the House of Commons. There were certain statements made about the Deep Cut Canteen. Now what happened at that Deep Cut Canteen was this, and if you will allow me I will read it to you. This is in answer to a question of Mr. Jeffreys, and this is a statement of mine. We took up in the "Aldershot News" the grievance at Deep Cut, and we published certain letters, and since then the Commanding Officer at Deep Cut, who is a member of the Canteen and Mess Society, has sent for these men and cross-examined the whole of them in order to find out who had written the letters, and when a reporter went there last Friday he was shunned, and nobody would have anything to do with him because they were frightened. As publishers of a paper we are going to give nobody away, but I will undertake to bring you a non-commissioned officer's statement to prove what has been said. Mr. Brodrick and Lord Roberts are these men's superiors, and a man cannot afford to be marked. Mr. Jeffreys was anxious to know whether I could bring up some evidence. Then Mr. Brown, who does not mind my mentioning his name, who is chairman of Mr. Jeffreys' Election Committee at Aldershot, said "some of the sergeants will come and see you anywhere if they are certain their names will not be mentioned." Then I said "If you would like to see any of these sergeants" appoint the Savoy Hotel or the Carlton or anywhere you like, but do not ask them to come to the House of Commons, because it frightens them." Now that business was a very serious point. If the goods are inferior in the canteen, what can the poor soldier do? He is frightened to death to make complaints. Look at what happened at Deep Cut. Here is this poor woman who makes the statement, and she says, "I wrote this letter because my husband dared not." These are the grievances soldiers have to put up with, and I say it is wrong for their superiors to be running this Canteen and Mess. What would you think for a moment of a big firm having a grocery store, and outside the door the manager saying to their workpeople—"Go and deal with Jones and Co." It is illegal—it is coming under the Truck Act.

6128. But you said before you did not object to the Canteen and Mess on principle as an organisation, but now you say you object to it because it is not right for officers to have to do with it or anything of that sort?—No, I beg your pardon, that is not so.

6129. (*President.*) I may point out to the witness that the ground of his objection would deprive us of every single canteen in the Army. It is run on a contract for six months ahead, and the soldier has no other redress?—No, but before I go to-day I should like to give you two schemes for running canteens.

6130. But I should like to follow up your examination by Mr. Harwood, in which you point out that you think it very wrong that superior officers should be responsible for the management of canteens which are

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established to serve the private soldier. Would you be opposed to the adoption of the co-operative principle, which would enable the private soldier to have his own committee of management so as to superintend his store in exactly the same way as the working artisans do with their own co-operative stores?—The point I make is this—

6131. But I want you to answer that question, please?—The point I make is this, that I say that the soldier should be perfectly free to deal where he likes, and his canteen should be run for his benefit.

6132. You say that the officer is not fit to manage the private soldier's own private interests, and therefore the private soldier ought to be allowed to do it himself. That is your point?—In answer to that I should say that I would advocate the regimental system in reference to this point.

6133. That is putting the whole management again into the hands of the officers?—Yes, but he is not benefiting by it. The soldiers have to-day an idea that their officers are benefiting by this Canteen and Mess, and that is the point that is so unsatisfactory. I do not say they are right or that they are wrong, but that is the point. Under the old system a Commanding Officer had to control his canteen practically, and, if the goods were not right, any complaints they could make immediately inside the canteen as it were and have it remedied.

6134. Then you have a third objection against the Canteen and Mess, that the officers are supposed to be feathering their own nests at the expense of the soldier?—That is a common idea with the men.

6135. And therefore you recommend the regimental system?—I strongly recommend the regimental system.

6136. That is as against the tenant system?—Certainly. With Messrs. Dickeson and Lipton they are not obliged to deal. In some cases I could point out to you where they are obliged to deal with the Canteen and Mess. There is a case of a sergeants' mess at Aldershot at the present time where they are obliged to deal with the canteen, and I will give you the name of the canteen or the sergeants' mess if you like.

6137. (Major-General Eaton.) Under whose orders are they obliged to deal with the Canteen and Mess?—I will give you that. Amongst the deputation we had a Colonel who does not mind his name being mentioned, and therefore I shall mention it. The Colonel is Colonel Pickance from Aldershot. He stated to Mr. Jeffreys this, and I will just read you an extract from a recent Brigade Order "Canteens—with reference to B.O., 3rd of the 12th, 1901: It is notified that Messrs. Blank & Co. have been selected as Canteen 'Tenants for the Brigade from the 14th January 1901.'"

6138. Is the name given there, because you said Messrs. Blank & Co.?—It is omitted here. "The 'Sergeants' Mess will deal exclusively with the above firm for the supply of wines, spirits and tobacco from the 15th."

6139. That has nothing to do with the mess canteen?—No, but I am here against the tenant system altogether.

6140. (Colonel Bridge.) You mentioned the name of Colonel Pickance. Is Colonel Pickance connected with the Aldershot Dairy Company, do you know?—Yes.

6141. In fact he manages it practically?—I could not tell you that. I never met him at all till I met him at the House of Commons on this particular day.

6142. (Mr. Harwood.) I suppose we may take it the regimental system is considered to be more favourable to the local trader than the tenant system?—Yes.

6143. Then you appear here for the local traders?—Yes, and it is better for them.

6144. You favour the system which is in favour of the local traders?—I should say it is in favour of the soldiers too.

6145. That is another point.

6146. (Major-General Eaton.) Then you are entirely against the tenant system?—Yes.

6147. I gathered from the articles in the "Military Mail" that you were in favour of it?—But they are not my articles. I never write the articles in the "Military Mail." I do not see it unless I buy a copy occasionally.

6148. I did not mean you wrote them yourself?—It is my company's paper.

6149. Then you are not in favour of what appears in your own paper?—No. I do not agree with the editor in all he does in the "Military Mail"—certainly not. He does not allow me to dictate to him. He is a very influential gentleman.

6150. (Colonel Lambert.) There is a point that I cannot understand. Is your evidence directed wholly and solely in the interests of the soldiers, or of those who supply him, whoever they may be?—I am giving evidence absolutely in favour of the soldier.

6151. It has nothing to do, then, with those who supply him at all?—Nothing at all.

6152. And it is not in the interests of the Aldershot tradesmen or of anybody who may supply him directly or indirectly?—No, I am here for the Aldershot traders or any traders where I consider there is an injustice, and I should like to point that out to you, gentlemen. But I say we have made this attack in our two papers absolutely to benefit the soldier.

6153. (President.) You said to the Committee you had got a scheme which would safeguard the interests of the soldiers?—I have it.

6154. We should like to know what that is?—I have got two. That is No. 1, and that is No. 2 (*handing documents in, see Appendix*).

6155. We had better have them printed and circulated, I think. Are there any further points you wish to mention?—No, there is no particular point, but I thought you would very likely say to me after I gave some evidence, "Well, you are wanting to break down 'everything—what do you suggest should be done?' And I thought I should have these two schemes ready."

6156. We are much obliged to you. Are these two alternative schemes?—In a thing of this sort there are always various views.

6157. Which do you favour?—I favour No. 1.

6158. But if you cannot get No. 1 you would say adopt No. 2?—Certainly, I should like you to adopt one or the other of them. I should be very proud if you do that.

6159. Is there any particular point you would like to bring before the special attention of the Committee before we call in the witnesses that are now waiting?—I should like to add one thing if you will allow me, Mr. Chairman, on this point, and of course I must go back again to this, that in any attack we have made in our two papers, the "Aldershot News" and the "Military Mail," we do not for a moment suggest that the officers even of this Canteen and Mess Society know what is going on.

6160. You suggest they do not know?—We do not suggest they knew what was going on at Deep Cut. We say you do not know, and we are telling you in our paper.

6161. (Colonel Bridge.) Then who is it against? These charges must be levelled against somebody?—These charges are levelled against the society.

6162. But it must be some member of the society. The society is popularly supposed to be managed by officers, is it not?—Yes.

6163. Then if the officers manage it, it must be they who are committing this grave swindle of buying inferior goods and passing them on to the soldier?—No, we know they do not buy them. They are very much like the directors of a big trading company. I say their general management is bad.

6164. But it is something more than bad if they supply margarine and tell the canteen steward to burn the baskets. Somebody must be committing a gross swindle?—Yes, that is so.

6165. Have you got this evidence from the canteen stewards themselves generally?—I do not want any names?—Are you asking me personally?

6166. Yes, personally?—No.

6167. But have you a deputation?—The "Military Mail" has spent a certain amount of money on this work, and they have done all this work, and I am only their mouthpiece.

6168. They have not got it through the officers or the legitimate representatives of the soldiers?—In some cases the officers have taken their part.

6169. But about these particular charges as to margarine and things of that sort, and the burning of baskets at night, whom have you got those statements from?—We got these statements in some cases from the canteen stewards.

6170. From the Canteen and Mess Society?—In some cases.

6171. Without going to the officer who managed the canteen at all?—What do you mean by that?

6172. There is a president of the canteen, who is an officer, and if orders are given to burn baskets at night he would know of it, would not he?—He ought to.

6173. Do you represent the Aldershot trade without dissent—are there no dissenters to this deputation?—There was one dissenter.

6174. Only one?—Yes, and he has apologised since, practically.

6175. (*President.*) Might we ask for his name?—Yes, it is a gentleman called Mr. Calvert.

6176. (*Colonel Bridge.*) Canteens are free to do some business in the town. You spoke of them being free at Aldershot. I have something to do with that, and I should like to know what you say?—I could not tell you.

6177. I think you are wrong?—I will make a note of that and find out.

6178. All canteens do a certain amount of trade in the town, but I think you will find that none of them are absolutely free to go in the town where they like?—But I say that is what ought to happen.

6179. Now, has this woman that you spoke of made no complaint to her husband's officers in the case where you say he had only 10s. 5d. a week and had to eat bad stuff?—I think I could give you word for word what he said.

6180. But I do not want that. I only ask that question?—No, in that case she did not make complaint to the officers.

6181. Or her husband for her?—No, she said her husband dare not.

6182. Why not? Did she think the officers would do something to him for saying so?—In that particular canteen at Deep Cut I will tell you what happened. The Colonel had them up in the orderly room to inquire who had written this letter to the "Aldershot News."

6183. He was afraid of his Colonel, and that he would treat him unfairly if he made a complaint?—No, what the poor woman said was this, "We are afraid of our officers because we know they are interested in this society."

6184. Do you know that the Colonel is interested in any way in the Canteen and Mess at Deep Cut?—I will not go that far.

6185. You have made all these direct charges, I suppose, with a full responsibility and knowledge of the gravity of them?—Yes, I appreciate that.

6186. And you would make them anywhere?—What do you mean?

6187. You would make them directly, in the public press for instance. I mean direct charges, and not vague ones?—What I have said to-day, do you mean?

6188. Yes?—Certainly, what I have said to-day.

6189. You would say all this about orders to burn baskets?—Whatever I have said to-day I mean to prove. On April 4th in the "Military Mail" we said to the Canteen and Mess, "You have been over-charging the soldier."

6190. That is a general charge; but I am talking of particular charges?—Certainly; everything I have said to-day I shall prove, if it is necessary. I appreciate that. Behind the "Military Mail" and the "Aldershot News," I may tell you are the whole of the assets of Polden Limited.

6191. (*President.*) You said you were really the spokesman for the military gentleman who put a good deal of money and trouble into collecting the figures on which you have based these charges. Would you mind giving us his name, or what do you say?—That is the editor of the "Military Mail."

6192. He is not a military gentleman?—No.

6193. Then you, personally, were giving evidence, practically, second hand; but there is a witness who could give us the evidence at first hand?—If you would like to have the editor of the "Military Mail" come up, I will ask him to come, and I daresay he will be very pleased to come. His name is Mr. Howard Hensman. He has just been left a legacy by Mr. Cecil Rhodes.

6194. That is the man who wrote his life?—Yes, and he is the editor of the "Military Mail." He would come with pleasure, but do not ask him to come on a Thursday, if you can help it, because that is his busy day.

6195. (*Colonel Lambert.*) You make a very strong point of this margarine case?—Yes.

6196. Do you happen to know whether or not, with other competing firms, the same thing has happened to them?—We cannot find out, and we have inquired very carefully. Would you like me to explain the point as to the margarine.

6197. (*President.*) Yes?—We do not object to margarine being sold, and we have no right to, but it is not butter.

6198. But you have never heard of a case where conviction has been obtained upon the same thing against their competitors?—No.

6199. In common justice, and to be fair to all sides, are you aware of any advantage that the Canteen and Mess Co-operative Society have been to the soldier since its inception—do you know of any advantage it has been to them?—Yes, they once gave back some profit, I believe—some bonuses, some years ago.

6200. Are you aware of any other advantage they have been, if any?—Any other advantage?

6201. Yes, to the soldier?—No, I do not think I could tell any other advantage they have been.

6202. It is only as a matter of justice all round that I put that?—I understand.

The witness withdrew.

Colonel J. LANE NOTTER, P.M.O., Aldershot, called and examined.

6203. (*President.*) Would you kindly state to the Committee your rank in the Army?—I am Colonel, R.A.M.C., and P.M.O. First Army Corps at Aldershot.

6204. I understand that you have given your expert attention to the consideration of the soldier's rations?—Yes, a great deal.

6205. The consideration of the energy value of his rations comes before this Committee because we have got to consider the management of the dry canteen?—Yes, I quite understand.

6206. Now we wish to obtain from you a statement as to the dry canteen. First of all I want to know whether these rations of bread and meat which he receives are in your opinion sufficient to keep him in a state of bodily efficiency?—It all depends upon the administration of the principal ration. I think if the principal ration is properly expended it is amply sufficient for ordinary work done. If you take the soldier's ordinary work done as 300 foot-tons of

work expended the ration is amply sufficient, I think, to maintain that amount of energy expended, with one exception, and that is, it is perhaps a little deficient in fat. I was calculating out this dietary for General Burdett, and I think that report is about 1889 or 1890. It is the Report of the Committee on Soldiers' Rations. That question was taken up at that time. There the nutritive value of the rations is plainly set forth. If you take the bare quantity of the ration itself only, it gives about 276 to 280 grains of nitrogen and 4,588 grains of carbon. General Burdett at that time introduced the plan of utilising the bones, which form one-fifth of the ration, in order to make soup. These he mixed with lentils, and so forth, and brought up the ration really to what is considered the standard for ordinary work, that is, for 300 foot-tons.

6207. 300 foot-tons?—Yes.

6208. Just explain to the Committee what that formula, 300 foot-tons, means?—Work done is calcu-

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lated in so many tons or pounds lifted one foot. The soldier marching 10 miles, which is an ordinary route march, and carrying 60 pounds of ammunition, would do, according to the usual formula, about 259 foot-tons of work, and if you allow 40 foot-tons for the usual rubbing up in the barrack room, and all that, it brings up his day's work to 300 foot-tons, which is the ordinary day's work of the individual. For that you require a certain amount of food in order to keep the body without waste.

6209. Then energy value in food is usually stated by scientific people in units of heat termed calories, are they not?—No, not exactly in calories. It is stated either in elementary principles or as nitrogen and carbon. For instance, you require so much nitrogen, 4·59; fat, so much, 2·96; and so much salts, and so much carbo-hydrates taken as bread, &c.—those are the four elementary principles that enter into the composition of food. These may be stated as follows:—

Proteids	-	-	-	4·95 ounces.
Fat	-	-	-	2·96 "
Carbo-hydrates	-	-	-	14·26 "
Salts	-	-	-	1·06 "
Total water-free food				22·87 "

The only deficiency in the soldier's rations was the fatty principle, and that was made up generally by a system which was brought in, I think I may say, by General Burdett some years ago. Upon inquiry at that time into the soldiers' rations, we took, I think it was 30,000 diets in Peace's dining-rooms in London, and weighed the actual quantity of cooked meat that was issued for the dietary at that time, and we found that it was, speaking from memory, somewhere about 4·1 or 4·2 ounces of cooked meat. At the same time, in 1,200 diets at Aldershot which we weighed, the cooked diets gave 7 ounces to the soldier of cooked meat per diem.

6210. Now of course you are familiar with the criticisms that have been made on the subject of the soldier's free ration?—Yes, I think I am. I think I know most of them.

6211. Then I should not be justified in assuming that the energy value of the free ration that is given to the soldier is less than the ration given to a prisoner?—No, I do not think so. I calculated a prison diet some time ago but I cannot recollect it from memory. My notes are away unfortunately.

6212. You have seen Dr. Dunlop's estimate as to the number of calories, have you, that were supplied by the food given in the Scotch prisons?—I do not remember having seen that taken out.

6213. From a scientific point of view is not the language that you employ for estimating the value of food the number of units of heat, or calories, it contains?—Yes, that is one of the methods, but I do not know that it is the best; because, for instance, you may get heat calories out of fats and carbo-hydrates without any proteid whatsoever. One of these elementary substances will not replace another. In the animal economy you must have a due proportion between each to make a perfect diet, and in calculating a dietary heat calories do not differentiate between the different elementary substances which a diet must contain in order to prevent a man from losing weight.

6214. What is the ration of bread and meat?—Three-quarters of a pound of meat minus one-fifth for bone, and there is a pound of bread.

6215. Is that sufficient to keep a man in a state of moderate efficiency to enable him to do his active work and not lose weight?—If it is in addition to what is called the grocery ration, and this is properly expended, it is.

6216. That is what I want to know. The grocery ration is a necessity, is it?—Absolutely. You cannot live upon bread and meat alone. The grocery ration is absolutely a necessity.

6217. And for that the soldier has 3d. given to him?—Or rather it is collected in the mess on which he can expend it.

6218. Why is not the grocery ration, which is essential to keeping the soldier in bodily efficiency, treated in the same way as his bread and his meat?—That is a question I cannot answer.

6219. It only occurs to me as a civilian?—I think it is very well to allow a certain latitude. If the Commanding Officer, or whoever is responsible, goes thoroughly into the dietary of the men under his command, it would be well to allow him a certain amount of latitude, and it is marvellous what you can get for a man in a company. I have seen most admirable diets.

6220. But that depends upon the scale of management?—I am afraid you would have to go back to the individual unit for information.

6221. But the point I wish to establish is that in your opinion it is absolutely essential that the soldier should have his grocery ration, which he gets on the basis of 3d. a day, as well as bread and meat?—Most certainly.

6222. Then the management of the dry canteen, which supplies this grocery ration, is a most important point of Army administration?—Quite so. I consider it most important.

6223. I have got some figures here which lead me to believe that the number of calories in the full free daily ration of a British soldier amount to about 1,800, whereas even in the case of Scotch prisons, with 3,500 calories, most male prisoners lose weight, and taking the free daily ration together with the mess the food supplied it averages less?—These figures are probably correct, but I do not think it a good way of stating a diet, because unless you have a due proportion between the elementary substances of the diet—you could get the heat calories out of fat, for instance, but a man cannot live on fat alone. Therefore I prefer to state it as regards the elementary principles of the diet itself. These heat calories are calculated generally on what is called Joule's formula. That is a formula which has not been repeated of late years. I would rather put this in a very much simpler plan than it is, and I think one that would be more intelligible and bear out the abstract facts of the case here. This is my plan (*producing same*). But I should like to go over these figures, because it was roughly done last night, when I had not much time. I put the amount of work that an ordinary soldier is supposed to do, and I have also put there the amount of the standard diet which is equivalent to that work. It is taken out in elementary principles of the diet, and I have shown there that with the bare minimum grocery ration there is only a deficiency in fats. That is the bare minimum which must be considered that any man can get.

6224. What do you call the bare minimum grocery ration?—It comprises meat, bread, then come potatoes and then other vegetables, calculated as cabbage, and so on. The composition of these in terms of nitrogen and carbon is about 300 grains of the former and 4,700 grains of the latter.

6225. Then I understand, to epitomise your figures, the free daily ration plus a grocery ration are sufficient?—Yes, to do a certain amount of work.

6226. To enable him to lift 300 tons one foot high?—Quite so. That is for an ordinary day's work.

6227. And that your present standard diet gives him enough food for this purpose with a small surplus?—With a small surplus. That is what I have actually taken out, but the figures involve much calculation.

6228. We should like to have them on our notes, and that is the point I wish to put before the Committee—that is, that you with your expert knowledge are very strongly of opinion that this grocery ration, which the soldier pays 3d. out of his pay for, is absolutely essential to keep him up as a fighting machine?—Yes, absolutely essential. If extra work is required of him, his diet must be increased, and this is done on service in the field.

6229. But when he joins the Army he is a big eater?—Yes.

6230. Now the question is whether the rations we give him, plus the grocery ration, is enough to satisfy his desire for food?—There are two points in that. First and foremost a great number of our recruits—and I speak from personal experience of them—are badly fed when first they come into the Service. They are men to a certain extent anæmic and starved. Those men join for the first time without perhaps for weeks and months, as the case may be, getting what is called a good square meal. They are young men or boys from 18 to 22, or perhaps even younger, because they put

their age up. As to those boys in the command in which I now am, it has been arranged to give them a cup of cocoa before breakfast before going on drill, and I think it is a very good plan. They are not allowed to go out in the morning without that. Otherwise I think their ration ought to be sufficient. At the same time that applies to a place where I had occasion to deal with a short time ago—that is, Wellington College, where the boys get a very full ration indeed. There is a certain amount of money spent in the tuck-shop, and there will be a certain amount of money spent in the canteen by these lads, no matter how you feed them. If you gave them twice the ration they would go to the canteen in the evening if it was open, and have a cup of coffee, and have what they are extremely fond of, and what I have often seen, that is their bit of cake. I do not say that it is essential for them, but still they spend the money there, and they enjoy it. But I do not think you can calculate from these suppers that a man in the abstract does not get sufficient to eat. There is another question which is a very difficult one, that is the hour of the evening meal in barracks. You cannot have it late. These lads stroll into the coffee-room, and a great number of them get their cup of coffee and cake, and so forth, about 7 or 8 o'clock in the evening, but I do not think you could exactly say that that was a reason for saying that they are badly fed, any more than you can say the boys in public schools are badly fed because they go to the tuck-shop.

6231. (*Mr. Harwood.*) Most of the boys in public schools are not properly fed?—I cannot say, but I went into the diet very carefully at Wellington College.

6232. (*President.*) But I understand your evidence goes to show the free daily ration plus the grocery ration is sufficient to keep the soldier?—Yes, I think so, if carefully supervised.

6233. (*Mr. Harwood.*) We work it out as horse-powers, you take it at foot-tons?—Yes.

6234. But supposing you have got a youth of 18 who has not merely to go through a certain horse-power and lift so many tons such and such an height, but also to build himself up; taking the case of a man at 24, he does not require so much as a youth of 18, because the latter has to build himself up?—Quite so. That is called the internal work of the body. If you take a railway engine, you only get about one-twelfth of the amount of energy out of it from the coal which is consumed; but the human body will give you for mechanical work one-seventh of its equivalent of all the force obtainable from the food. The internal work of the body has been estimated at 260 tons for all the internal mechanical work and the external work of the soldier at 300 tons; this will amount to one-seventh or one-eighth of all the force obtainable from this food.

6235. My point is that you have to allow not only for mechanical work, but also to allow for development, and so on?—That we have done.

6236. The rations for youths of 18 ought to be more than the rations of men of 30 though they may do the same mechanical work?—I will not say more, but they ought to be equal to it, certainly. We generally take them at the same to the ages of 35 and 40, and after that there is an arrest in their development, in which they do not seem to require the same quantity.

6237. If your steam engine had not merely to pull the train a given distance, but had also to build itself another boiler on the top of itself, it would be different?—That is the reason I have emphasised the fact I have as to heat calories.

6238. (*Major-General Eaton.*) A man in training would eat more?—That is the reason I have emphasised the fact that heat calories are not a good method of measuring it, because proteids build up the tissues.

6239. (*Mr. Harwood.*) I think it is worth while considering how our young recruits all make the same complaint, that when they go in they do not get enough to eat?—I think you should take the weight as the guide, it is the best guide in the world.

6240. (*Colonel Bridge.*) What is the evidence of an ashpit, for instance, as to bread?—I have seen it over and over again, and saw it last week.

6241. What is that?—The waste bread in the ashpit.

6242. Loaves thrown away—the remains of loaves, I mean?—Yes, there is no doubt there is an excess in the dietary in that form as a rule.

6243. (*President.*) How do our military rations compare with the rations given to the American or German soldier?—The fault in all Continental dietaries is that there is too much carbo-hydrates, that is, too much of the starchy-element and too little proteid and fat. It is the fault of the Swiss, the German, and the French armies. In the German army they have two, the larger and the smaller ration. The food of the German army consists of more vegetables than ours does. I do not think it is any better. The nutritive value of the German ration is as follows:—

Kind of Ration.	Proteids.	Fats.	Carbo-Hydrates.	Salts.
Smaller ration -	3.79	0.77	17.27	0.47
Larger ration -	4.76	0.95	18.81	0.50

6244. The German and the British rations have been compared most carefully?—Yes.

6245. With the result that in your opinion the British ration is superior?—I think for our work it is, most decidedly.

6246. The Germans have arrived at a different conclusion, I suppose, after equally careful consideration?—The German system is altogether different in that respect. On the Continent, I need not tell you, much more care is taken with the cooking of vegetables, and much more of these are used.

6247. Then the German administration makes a more scientific use of food?—Cookery is more scientific on the Continent than at home.

6248. Therefore the soldier benefits by it?—He does; inasmuch as his vegetables are better cooked, but he does not get the same amount of meat as we give him. These men eat sausages, and eat many other things which supply the fat so deficient in their ration. I may tell you that upon looking over what were the usual things purchased in the canteens some years ago, I found the principal things were cheese and bacon. Those were the two items that formed the largest class.

6249. (*Mr. Harwood.*) When you speak of our rations being better, is there some fixed weight that is allowed?—No, this is the messing book, which shows it (*producing same*). There is the amount of 3½d. a day, and what they have had for each day.

6250. Does what they have depend upon their own will?—There is a certain routine—they get jam one day and something else another day.

6251. (*Colonel Bridge.*) You cannot have a hard-and-fast rule. It is all done under the inspection of an officer?—Yes, I think they should have as great choice as possible.

(*Mr. Harwood.*) The calculation which Lord Grey was making about the calories was based upon a certain adjudication of the 3d. I presume.

(*President.*) Yes.

(*Mr. Harwood.*) Because without the 3d. they would not be proper rations.

6252. (*President.*) Without the 3d. he would not be able to do his duty?—No, he would certainly not.

6253. (*Mr. Harwood.*) Is it fixed in the field?—He gets it in the field, in South Africa for instance, because it would not be possible to have canteens or anything of that sort there. He is treated in the field exactly the same as regards bread and meat.

6254. In India, for example, do they require the same arrangement of dietary there, or does the climate make any difference?—Not much. They get a pound of meat instead of 12 ounces, but on the other hand the meat is not so good. The sheep are smaller. The sheep hardly go beyond 30 lbs. in weight.

The witness withdrew.

Adjourned for a short time.

Col. J. L.
Notter,
P.M.O.

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6281. Then according to your opinion the Army is underfed?—It is not actually underfed, because the men buy food, but it would be if they depended on the allowance of food in the mess.

6282. How does it compare with the rations supplied in the German army?—I have not any reliable data about the German army.

6283. Or the American army?—There are some data, but they are not official data, and I should not like to quote them. It runs up to about 4,000 calories—a third more in the data which I have seen, but I cannot guarantee it.

6284. You do not like to adopt them?—No. That is the peace diet.

6285. According to what you have seen of the rations of the American soldier it gives 33 per cent. more calories than the peace rations of the British soldier?—Yes, that is it roughly.

6286. He resembles the English convict on hard labour more closely than the British soldier?—Yes.

6287. (*Major-General Eaton.*) But as a matter of fact the British soldier puts on weight. 80 per cent. of our men I know will weigh heavier after a year's service?—I do not for a moment say they are badly fed. As a matter of fact I think they are well fed, and I think all the evidence is quite as you suggest; but they have to pay for it.

6288. (*President.*) Now assume that a recruit, when he joins the Army, comes in in an anæmic and underfed condition, would the free ration he gets as supplemented by his grocery allowance enable him to put on weight?—I do not think he would put on much in that way. He wants his supper.

6289. He must supplement his rations by supper bought out of his own funds?—I think so.

6290. (*Major-General Eaton.*) But the supper is really quite an innovation in the Army—it is quite an extra thing, and in my experience in the Army of 36 years nearly, our men used to increase clearly in weight, and there never was any question of getting supper. The man is better fed now because there is more trouble taken with his food. It is not wasted, and the bone is put into the stockpot, and all that used to be chucked away; but now it is saved, and the man can now get full advantage of his daily ration if he likes?—Just so.

6291. (*Colonel Bridge.*) In no canteens in the Army would you find anything like 100 per cent. of suppers—nothing like. I should say the extreme you would find anywhere would be 50 per cent., and that would be in a working corps such as the Army Service Corps, or the Medical Corps, and the suppers there would represent very often men who were away from their meals very often for their own private convenience?—But there are other suppers—suppers I mean bought in shops outside, which have also to be considered.

6292. That might be in cases where they have an opportunity of doing it, but take the case of men on manoeuvres, for instance, where they have actually no opportunities of any kind for suppers of any description, and even then you will find that men come back in better health and strength than they went to the manoeuvres, living merely on the Government peace ration.

6293. (*Major-General Eaton.*) I am quite certain the average recruit gets more to eat with his regiment than he gets when he joins it?—I think that is so. I am sure he is well fed by the look of him actually.

6294. (*President.*) It is a rather startling statement, that the average soldier does not receive so much as the pauper lunatic in Scotland, and one-third less than criminals upon hard labour in England?—Yes.

6295. But these figures are arrived at by you after diligent inquiry?—Yes, and going through the messing books.

6296. And are they accepted by others besides yourself?—I do not know whether anyone has gone into that question in the same way, but they would be accepted. Their basis of calculation would certainly be accepted; whether the conclusion would be another matter.

6297. The basis of the calculation is not open to dispute?—No, I think not.

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6298. They are the result of chemical analyses?—Yes, and they are generally accepted figures.

6299. (*Mr. Harwood.*) What is the last meal the soldiers take, and what is provided for them?—Tea and bread.

6300. Do you wish us to believe that if a man had a luncheon of three-quarters of a pound of meat and a pound of bread, and then had supper, leading an active open-air life, he would gain flesh—because he must eat most excessively if that is so?—They do, I think. There is no doubt about the fact that they do improve, but from all my inquiries they also buy a lot of other things outside, and not only supper but often in the morning.

6301. (*Colonel Lambert.*) There are three sources of food, one the pound of bread and three-quarters of a pound of meat; secondly, his groceries, and you can take it either way you like as to how he comes by them—it is as broad as it is long—but in addition to that out of his pocket, which we have heard so much of, he gets in each company or squadron a grant towards what they call extras; so that the only way you can arrive truly at what the soldier does get, or what the value in calories of what he gets is, is by an analysis of the diet sheet of each soldier in a well-conducted squadron?—These are the data I have been going on.

6302. (*President.*) How do you select your data. Where do you get your data from?—The Commanding Officer allowed me to see the diet sheet.

6303. That is a fair experiment—you took a haphazard regiment?—Yes.

6304. And the Commanding Officer allowed you to inspect the diet sheet?—Yes.

6305. Because the results are so startling, that they would appear to require confirmation by other scientists who have made similar experiments, before they can be accepted, but your statement is that your figures are accepted?—The basis of the calculation is accepted. The figures one cannot get at thoroughly accurately, because some of the items on the messing sheet are not put in weights. You see they put down every day so many pounds of flour and so many pounds of currants, and so on, and one could calculate all these things because one knows their composition exactly; but when you have an entry like 50 head of cabbage, one does not know the weight of a head of cabbage exactly, so that there is a certain margin of liability to error, but that is very small.

6306. The margin is not sufficient to affect the comparison between the calories in the food of the British soldier as compared with those given to the English convict on hard labour?—No, I think not. The English convict's diet is calculated in exactly the same way.

6307. Has it been changed lately?—Some of the diets have been changed—two or three years ago.

6308. As the result of an inquiry?—As the result of an inquiry.

6309. What was the nature of that inquiry, are you aware?—A departmental inquiry.

6310. And the results were not published, were they?—Yes, they were published, and I have all these data at home, and I have gone into them all very carefully.

6311. Then will you proceed with your statement?—Then referring to the table I say, "The prison diets are of special interest on account of the care with which they have been recently fixed so as to prevent, as far as possible, either waste of food or loss of weight by the prisoners. Thus in the case of Scotch prisons, it was found by Dr. Dunlop that with 3,500 calories most of the male prisoners lost weight and complained of hunger, while with 3,900 calories there was an average gain in weight and an appreciable waste of food. With the allowance finally fixed on, of 3,700 calories, there was no average loss of weight and the waste was very small. It was not found possible to supply sufficient food without there being some waste."

6312. Are you aware that in the present ashpits of the regiments there is a great deal of waste bread and so on?—Yes, I could quite believe that.

6313. But is not that rather remarkable, if the British soldier is underfed on his regimental free ration, that there should be a large part of it chucked away as waste?—It is what happens in other cases where the men have money which they can spend on

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food. They do that, they get tired of the bread and tea diet.

6314. Yes, I quite see that?—That sort of waste happens in prisons, and they prevent it by re-arranging meals, and so on. "There are at present no available data to show the amount of food actually consumed by the average recruit or efficient soldier since the amount bought at canteens or shops is not known. It is probable, however, from the data just given"—that is the data in the table—"that a recruit who has to go through a large amount of drill, gymnastic exercises, &c. requires (and usually obtains) about 4,100 calories, while a fully-trained soldier, who has less work to do in peace times, consumes a little less." 4,100 is the same as given to the boys in training ships. "In comparing the soldier's food requirements with those of the various classes given in the table, it must be borne in mind that the average age of soldiers corresponds to the period of life when food requirement is at its maximum."

6315. I see by your statement of figures that as regards the members of two college football teams in the United States, who are presumably of the same age as recruits, and therefore at the time of life when the food requirement is at its maximum, the calories contained in their diet was 6,812?—It was.

6316. Or more than twice what is allowed the British soldier?—But they were doing very extra work; these are exceptional men.

6317. But then the man in training eats more food?—Yes, and the man doing a lot of muscular work. That is what determines the amount of food to a great extent.

6318. Does not a British artisan who uses his muscles all day long require as much food as a man training for a football match?—No, not as a rule, unless he is a navvy, or something of that sort, but an ordinary factory worker does not require so much.

6319. Take a navvy, who has to work with a pickaxe, for instance. Would not he require as much food as a young man training for football?—I should think he would, probably, that is, a young navvy. Some of the figures for American navvies go up to 8,000 calories. It is tremendous, and their work was very hard, but that is very exceptional. About 4,000 is the ordinary figure. "The free daily ration" contains, according to an analysis quoted by Professors Notter and Firth, of the Army Medical School, an amount of nutriment equal to about 1,500 calories, or 37 per cent. of what a recruit probably consumes. The bread, and particularly the meat, allowed for in the analysis are, however, of poor quality (certainly poorer than what I have myself seen served), and 1,800 calories would probably be a fairer allowance. The energy-value of the balance of food supplied by the mess amounts, according to the same analysis to about 1,300 calories, and this estimate corresponds very closely with the results of some recent inquiries of my own as to two companies, in which the messing seemed to be very well managed. Doubtless this amount will vary somewhat according to the management of the cooking and messing at different places. The balance of about 1,000 calories has to be purchased at the canteen or in shops. Roughly speaking, the free ration and share in the mess provide a plain breakfast, with occasional extras, such as bloaters or bacon, dinner, and a plain tea in the afternoon, while supper has to be bought. So far as I can ascertain the amount thus spent appears usually to amount to at least 3d. per day, so that the recruit expends in all about 6d., or half his pay, on food."

6320. That is not because he is greedy, but simply because he wishes to keep himself in form as a good fighting machine?—Yes.

6321. He is obliged to spend that?—Yes, I have asked some of the men what they spend, and I do not quite believe all their answers, but sometimes they put it very high—as much as 6d., and so on. It is usually about 3d.—that is the usual sum. "As he has to pay a further sum for washing, underclothing, repairs to kit, &c., it appears that he has very little margin left for other reasonable personal expenses, and often finds himself much less well off than he had been led to expect, and even short of food at times unless he is careful. The efficient soldier who has a messing allowance of 3d. per day probably has to spend 2d. per day on food out of his pay. Often, however, the amounts spent on supper, or in supplementing the other meals, exceed these sums, as individual pur-

chases of fried fish and bacon, eggs, tinned meat, sausages, &c., are uneconomical. It should be noted that the extra food paid for represents (apart from the fractional sums spent on tea and coffee) not luxury, but the supply of material necessary to physical efficiency. A soldier living on the 'free daily ration' alone would rapidly lose weight and be reduced to a state of complete physical inefficiency which would probably end in death from intercurrent disease." That is free ration only without the grocery. "The lowest legal diet for men in English prisons amounts to 2,670 calories, or 50 per cent. more than the 'free daily ration.' Moreover this prison diet, being admittedly insufficient, can only be imposed for seven days. On the free ration, together with share of the mess as described above, many men could permanently maintain their proper weight, but only provided they did little work, or were below the average weight. Men doing the work of soldiers will inevitably have a corresponding appetite: and unless this were satisfied, the work would not be done any more than the work of a steam-engine would be done without a sufficient supply of fuel. A certain amount of food (about 2,700 calories) is required for bare subsistence without work. It is only the surplus beyond this that is in the long run available for work. Hence a comparatively small permanent deficiency of food will practically destroy a man's economic value. The best economic results are evidently obtained by giving a man full employment during working hours and at the same time as much food as will satisfy his appetite, which is the best guide as to what food he really requires. This amount could be ascertained in the case of soldiers by observation on a sufficient body of men of the quantities consumed when the whole of the food required was supplied from a known source. The subject of soldiers' dietary was reported on in 1889 by a departmental committee of officers. This committee concluded that an ample diet can be provided from the free ration and messing allowance of 3d. The recommendations of the committee dealt with the quality and cooking of the food, and not with its quantity. It appears to me that the committee was mistaken as to the quantity being satisfactory, and that the mistake arose partially through the fact that from want of sufficiently extended observations, what would now be considered a very low diet was at that time generally accepted by medical authorities as sufficient. Thus from the data furnished by Professor Notter of Netley (p. 14 of Report) it appeared that the food supplied on Colonel Burnett's system had an average daily energy value of 3,030 calories"—that is calculated from his analysis—"which was believed then to be ample. No data were obtained by the committee as to the average total food-consumption per day of soldiers. To sum up, the ordinary supply of food in the mess-rooms appears to be short by about a fourth of what is needed. Roughly speaking, it would need to be supplemented by a fairly substantial supper to make the supply equal to what a soldier requires."

6322. (President.) How long have you been of that opinion that you expressed in that statement of yours?—Only since I began to go into this particular subject of soldiers' diet—within the last three or four months.

6323. Then it is a comparatively new discovery on your part that the soldier only receives food short by about one fourth of what he requires?—Yes, receives officially that. I never thought that he was actually underfed.

6324. Have you taken any action to bring the result of your researches before the attention of the authorities?—I have privately.

6325. Privately, but not officially?—No.

6326. If it is private I do not want to pursue the question; but you made private communications to men in high places?—Yes.

6327. Showing them what the result of your researches was?—Yes, that is so.

6328. So that they should have the opportunity of deciding what further action should be taken eventually?—Yes, that is so.

6329. But you have not made public the result of your researches?—No.

6330. And this is the first opportunity you have had then of giving expression to your opinion—at least, it is the first time that you have made any public state-

ment on this question of the insufficiency of the diet officially supplied to the soldier?—Yes, that is so, except for a reference to the subject in a letter to the "Westminster Gazette" of December 23rd.

* 6331. A question of this supreme and vital national importance ought to be the subject of the most earnest inquiry on the part of the authorities, supposing you are right?—Yes.

6332. Then if your statements are correct they prove improper administration by the War Office in the diet supplied to the soldier?—I think it might be fairly argued that it is good policy not to give the whole of the food in the form of a ration, but to allow the soldier to buy part of the food so that he may pick and choose what he likes.

6333. You think it is the deliberate policy of the Government?—I have rather assumed that that was really at the root of the whole matter. For instance, in the Japanese army that is done. They have a certain diet and an allowance of money.

(*Mr. Harwood.*) You might give him the allowance of money and let him buy everything—give him 2s. a day and say: "Buy everything"; but he ought to know what we are paying him for, and that he is not to spend it on anything. He would have to spend so much on keeping up his condition.

(*Major-General Eaton.*) That is the principle in the Navy, I think.

6334. (*President.*) Have you looked into the Navy diet?—A Committee reported about four months ago on that subject, and I have gone through their report very carefully, and some of the data here in my statement are taken from it. The system in the Navy is this: that there is a regular ration supplied which amounts to 3,800 calories when it is calculated out, but the men are allowed to get credit for part of this food. For instance, salt beef and so on, they can "save," as it is called, and get credit for it at the canteen instead.

6335. You mean to say they do not eat their ration?—Yes, but they get something else instead. They do that to a very large extent. I think about a third of the ration is not taken up.

6336. They may save 500 official calories, and get 600 non-official calories?—Yes, it would be very easy to do that.

6337. The important thing for this Committee is the question: Are these figures which you have given to the Committee admitted by scientists, whose business it is to deal with this sort of subject, to be correct?—I think any scientist—and that is my own opinion—would say it is very desirable to get the best data that can be got on this subject, and find out by actual observation in the case of some company, or two or three companies, how much food is actually consumed.

6338. (*Mr. Harwood.*) There is a rather startling thing with regard to this figure, and that is that the free daily ration of the British soldier only gives 1,800 calories, and you get 1,300 calories out of 3d. a day on groceries, or whatever it is. Now it seems to me a striking amount—I am not speaking from the scientific point of view—but I should not have expected, looking at the composition of that 3d., that it would have given me 1,300 calories as against 1,800 for the ration. It is rather striking, I mean?—The reason is quite easy to understand. Part of the ration is in meat, and meat is an extremely expensive food. Lean meat is four-fifths water. It has not nearly the same number of calories as bread or flour.

6339. (*Colonel Bridge.*) Are not the calories rather misleading then under these circumstances?—No, I do not think so. The very principle of the Banting cure for people who are too fat is to give them as much lean meat as they can possibly eat, and they get thin. They cannot eat enough to prevent them from wasting. It is a well-known thing to physiologists that meat has not a very large energy value, but it is very much valued by people as a food.

6340. (*President.*) Now I do not want to ask a rude question, and I know you will not accept it as such. I should be obliged if you would extinguish your modesty and tell us why we should accept your statements as statements which should carry our convictions. I want you to inform the Committee what your place is in the scientific world on this subject, and in what way they regard you?—It is my business to teach this subject of physiological chemistry and to go into it, and I have worked at it and experimented at it a great deal, and I

am familiar with the scientific side of it. I am not really familiar with the Army side of it.

6341. But you are with the theoretical side from a scientific point of view?—Yes.

6342. That is your standpoint?—Quite so.

6343. And the result of your scientific and theoretic work carries conviction to the mind of your fellow scientists?—I think it would if I put it to them.

6344. Are the results of your researches known abroad, in Germany, for instance?—Not on this particular subject of Army diet.

6345. But on other subjects?—Yes.

6346. Your works have been translated into German and other languages?—Yes, some of them have on allied subjects.

6347. That is what I want to get at—that the results of your researches upon subjects allied to this have been published in German and French?—They are published in the ordinary journals here. One or two of my papers have been translated into German and French, but not on this subject of diet.

6348. But they have been accepted by the scientific world as researches honestly made, the conclusions of which ought to be carefully considered?—Yes, but I should like to add this, that I have got the best information I can on this subject and have gone into it as well as I can, but I feel that the data ought to be better. There ought to be more exact data on this question.

6349. You feel you have not had quite sufficient data?—One would like to see, for instance, such data as the Naval Rations Committee obtained with regard to the food consumption of sailors.

6350. That is a subject as to which this Committee was not appointed to inquire, but I asked you to come and give evidence here so that this Committee might know whether it is necessary for a soldier to have something in addition to his three-quarters of a pound of meat and one pound of bread, to keep him up?—Yes, to keep him alive, I should say.

6351. Therefore the canteen which gives him this supplementary food is a necessary part of our Army administration—that is really the only point?—Yes.

6352. (*Mr. Harwood.*) There is only one thing on the border line between science and practice I want to know about—is there any possibility that the calories may not be an exact measurement of what we commonly mean by nutrition—that you may get so many calories by chemical analysis and yet that it may not turn out in practice to be an exact standard of the nutritive qualities of the thing. Is that possible?—I do not think it as regards quantity, but you might have your calories in very coarse, unsuitable food, which would produce indigestion or something of that sort.

6353. I mean a man is not merely a pan into which you put certain things, but he contributes something himself?—Yes.

6354. And is it not possible that a food according to your scientific analyses might only give so many calories and therefore so much nutriment, and another food give less calories but might really leave the man in a better condition because it might be more in harmony with what his body contributes?—Yes.

6355. I want to be quite clear, because all this is based upon calories?—Yes.

6356. And are we perfectly safe in saying that calories and nutrition are interchangeable terms, or is it possible that there may be some explanation in that way?—I do not think so. I think you must always have the calories, but you may have the calories and the food may be otherwise so unsuitable that it is not a proper diet, because calories are only a sort of elementary condition.

6357. The calories may not be got out of the food?—They cannot come from elsewhere.

6358. But I mean to say you may put food into a man with so many calories and he may not get it out?—That very often happens. If the food is indigestible it passes through him without being absorbed.

6359. (*President.*) But your point is that the calories must be in the food?—The calories must be in the food. That is a sort of elementary condition.

6360. Then the question is whether the human body gets them out of the food?—Yes.

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6361. That is not certain, but they must be there in the food?—Yes, but one can be practically certain of that. One knows what foods are digestible. If one is fed, for instance, on raw flour, the calories are in the raw flour; but if it is not cooked or made into bread, it will pass through largely undigested and be wasted.

6362. If science did not reveal that the food had them, they could not gain them by passing through the man's stomach?—No. They could not originate there. I think, so far as the question of quantity is concerned, people have been misled by the imperfect knowledge of former times as to what people do consume, but they had the best available evidence at the time.

6363. Is it your opinion that we ought to have another scientific inquiry into the subject?—I do not think it wants much science; one just wants such information as there is in the messing book, but to be complete—say the weights of all the foods. Then it is very easy to work out the calories, and so on.

6364. Is it a long process this arriving at conclusions as to the number of calories there are in a soldier's diet?—No.

6365. If we could supply you from this Committee with the dietary of various regiments, it would not be asking too much to go into it, would it?—No, I should be delighted, and I should be most interested to get the data and submit them to anyone else.

6366. Do you know Colonel Notter?—No, not personally, but I know him quite well by reputation.

6367. But you have never met him?—I have never actually met him.

6368. In making these analyses you require to have specimens of foods, I suppose?—Only some foods—the meat for instance. A good deal depends upon the quality of the meat itself, whether it is fat or not, but the value of other foods, such as flour and so on, is known very accurately already. The only difficulty would be with the meat.

The witness withdrew.

Mr. H. O.
Bell.

Mr. HENRY OSWIN BELL called and examined.

6379. (President.) You are the Secretary of the Northumberland Public-House Trust?—Yes.

6380. We have asked you to come here and inform us on the methods you have adopted for checking leakages and dishonesty of management on the part of your public-house managers?—It is based mainly on this, that we pay our staff a sufficient salary to, in our opinion, put them above temptation to pilfer.

6381. Will you kindly tell us what you pay your manager?—We pay our manager equal to 150*l.* a year, and he has his house, coke and coals and lighting over and above.

6382. And his food?—The food we include in the 150*l.* a year.

6383. How much cash does he receive?—He receives 100*l.* a year in cash, and then he has his house and lighting and everything.

6384. Then we have to pay to him a bonus on good management, which is not determined yet, but will be at the end of the year's working.

6385. What do you pay your bar tenders?—The bar tenders we pay from 5*s.* a week up to 2 guineas a week. The man getting 35*s.* a week lives in the house and is kept entirely.

6386. He gets his board and lodging?—He gets his board and lodging. One man getting 37*s.* 6*d.* a week does not live in the house, but he gets practically most of his meals in the house. We have not at present room in the house for him, but we are going to take a cottage close to, and give him board in lieu of extra salary.

6387. How many public-houses have you got under your management at present?—We are only working one at present.

6388. That one public-house, if I am correctly informed, is at some distance from the executive offices?—In point of time it is about two hours by railway.

6389. How do you superintend your manager?—Everything that goes into the house is charged at the

6369. Do you mean to say you could take a list of articles on a bit of paper and make your calculation from that?—Yes, if I have the weights furnished per head.

6370. That is all that is required?—That is all that is needed.

6371. But you have not to handle the food in any way?—No, but the meat varies in quality. Frozen meat, for instance, may be different in quality from ordinary English meat, and one has to be careful there.

6372. (Colonel Bridge.) Is frozen meat of less nutritive value?—It all depends upon the original quality.

6373. But *ceteris paribus*?—No, I do not think so. I should say it was just as good physiologically.

6374. Then that is another fact we are supposed to have established for the soldier; that the frozen meat is as good as home-bred meat, or anything else?—It ought to be.

(President.) The freezing process does not rob it of anything.

(Colonel Bridge.) No, not at all; on the contrary, it rather improves it, I think.

6375 (President.) Is that possible? There are not more calories in a frozen New Zealand sheep than in a bit of black-faced mutton, are there?—But often frozen meat is not so fat, and that is why some people prefer it.

6376. (Colonel Bridge.) There is frozen meat and refrigerated meat, which is a different thing?—Yes.

6377. (Mr. Harwood.) Have you ever ascertained how many calories are taken by a man who dines out and at clubs, and so on?—I tried to work it out in a country house, including the servants, and I came to the conclusion that the data must be wrong. It worked out at 5,000 per head, roughly speaking.

6378. (President.) You thought that was under the mark?—I thought it was over the mark, and there had been great waste.

selling price to the house in the ledgers, and once a month, or once every five weeks as near the end of the month as convenient we take stock of everything that is in the house and set it against the lodger account, and the difference ought to be the cash that has been received.

6390. Who takes stock for you?—We get a professional stocktaker to do it. As a matter of fact, I take stock generally myself at the same time as a check on him, to see that there is no discrepancy.

6391. Then you have an expert?—We have an expert to take stock.

6392. And you generally accompany him?—I generally accompany him—not necessarily go round with him. For instance, yesterday, with a view to this meeting to-day, I took stock yesterday morning and calculated it out in the train just to see how it came out with the takings.

6393. How long did it take you?—You could do it in about two hours.

6394. What are your takings at this public-house?—It varies considerably. It varies from 65*l.* a week to 105*l.*, but take it on an average about 80*l.* a week. Our stock is valuable, and to give you an idea of it we have a stock worth about 900*l.* in the house.

6395. Then the amount of the money that has to be paid over to you is calculated by you after comparing the goods left in stock?—Yes. The manager pays over into the bank once a week at least, and he may pay in oftener. If he finds he is getting too much money into the house he pays it into the bank, so as not to have more than a certain amount in the place. So that every week he is paying over a certain amount into the bank.

6396. You do not find it necessary to count the coppers as in the canteens?—No. I know that system. I have been in the barracks, and have done it myself, but there is absolutely no need to do it, because after all the counting of the coppers you receive does not tell you a bit whether the man has swindled you or not.

The ultimate issue is, that at the end of any period his stock, plus his receipts, must balance the books.

6397. Do you apply the same rule to your beer?—To everything.

6398. Do you make an allowance for unaccountable waste for beer?—Yes; also in a public-house you have what you would not have in the canteen, that is, a certain amount of sustentation. That is to say, our barmen and waiters are allowed to have a glass now and again, which they do not pay for. We make it a rule that on no account are they to be stood liquor by the public. Now, in return for that, we allow them to take what is called sustentation.

6399. A sustentation fund?—Yes. Now, of course, that does not cover the whole of the difference on account of waste, but then, against that, we expect that our stock should come out a little bit to the good—about one to two per cent.

6400. You sell one to two per cent. more stuff than you really buy?—Yes, virtually it comes to that.

6401. How many gallons have you in a cask?—Fifty-four. We are working both hogsheads and barrels.

6402. That served out in pints ought to produce how many gallons?—That is a very difficult thing to say. It is a very small fraction in excess, because a man in drawing beer splashes a little over the glass.

6403. What happens to that?—That goes down, and we recover it.

6404. But do you mean to say that it would go into the waste barrel?—Yes.

6405. And you would serve it up as a glass of fresh beer, would you?—No. But there is a difference between the dripping from the tap and the waste beer. The waste beer is what is left in the casks. The bottoms of the cask are used by some men who want flat beer for certain purposes. I do not know what.

6406. Would not it be a better arrangement to let the brewer take it back?—Our position as to distance from the breweries is such that will not pay them to take it back, and they give us the benefit in the price to begin with for not taking it back. We are a long way from the brewers, and we keep that waste and register it as so much lost in the trading. That is a registered quantity of which we do not take value in stock, but we take it into consideration in taking stock.

6407. In your accounts with your public-house manager you pay him a fixed salary, and then you expect him to give you one to two per cent. more than the retail price of the amount of beer you have supplied him with?—Yes, and if it is not there we should ask for an explanation. We should suspect something was wrong.

6408. The evidence given before this Committee would lead me to suppose that your two per cent. is a very small per-centage for unaccountable waste, and that he ought to be giving you back more, but, however, that is not for us. I only wanted to get at your plan?—In time we may find that we are too low; we thought we should keep ourselves on the safe side by looking for a small margin.

6409. Of course, if your public-house manager were to be able to fill 58 gallons, taking them in pint pots, with a hogshead of 54 gallons, it would be an inducement to him to press the sale of liquor, because he would be making over 4 per cent.?—Yes, he would, but he has nothing to do with the stock-taking. He never sees our stock-taking results, and he knows nothing about them.

6410. But he has to hand over a certain amount of money to you, and he knows the principle on which it is calculated?—He knows it, but we never tell him how the results are going, one way or the other. But, of course, there is the inducement, as you put it, to him to be dishonest.

6411. But the methods you adopt to secure your company against dishonest management are what we want, and I understand you expect that your manager will bank all his takings once a week, and then at the end of the month you take stock, and you expect the amount of money banked to give you the retail prices of the beer, plus 1 or 2 per cent. for wastage?—Yes, I will put it in that way; and if we did not find the 2 per cent. we should make inquiries about it.

6412. And you may have more?—We may have more. It is utterly impossible to prevent a man

swindling you somehow or other if he wants to; the only thing is to pull him up if he goes too far.

6413. Then how do you inspect your liquor?—Do you mean as to quality?

6414. Yes?—I go down to the house, roughly speaking, every week; not quite so often perhaps—say, three times a month—and I always take the specific gravity of some of the liquors when I am down, three or four of the liquors. They never know when I am going to do it, and if I found that there was the slightest variation anywhere, I should begin to make a test all round. So far I have never found anything, I take my hydrometer into the bar and draw off so much liquor from the first tap that comes handy and test it.

6415. Does your manager know where your beer comes from?—Yes, because the casks are marked.

6416. But he has nothing to do with the buying?—Nothing at all. He does not know the price we are paying for it, or anything.

6417. Now as to the price he sells refreshments at, such as tea, coffee, and food, does he do the purchasing of those?—No, the only thing he does purchase is the meat, from day to day. He goes down to the Co-operative Store which is about a quarter of a mile from our house, and selects the joints. We have a fixed arrangement as to the price with the store. In fact it is the store price, and these invoices come to me weekly, and of course I pay against them.

6418. Who does the buying?—The actual buying of joints—

6419. But apart from joints?—I do—or you may put it that it is the directors, because we have made certain contracts for a few months—practically six months—for various things, and I order them in as we require them from the different contractors, such as brewers and spirit merchants, &c.

6420. You have had some experience with the Army yourself have you?—Yes, I have been in barracks. I have done the usual routine of an officer in the barracks canteen.

6421. Should you say, from your experience of the Army and public-houses, that we should apply a different principle in the management of Army canteens?—No, I do not know that you should at all.

6422. I mean without involving the canteen officer in too irksome a duty?—It is rather a difficult question, because you have got to assume your regimental officer is a business man, which he is not always. What I mean is that a man who has to think of military matters is not thinking of pounds shillings and pence all day long, and it does not strike him just where leakages can come in. He is not so accustomed to dealing with such questions as a man in business, who is at it all day long, and watching for leakages, and knowing how he can get counter-checks one on the other. According to my idea, an officer going in and counting the pence every day is a waste of time; it would be unnecessary if they had a good stocktaking system.

6423. That is only a practice resorted to by men who are not acquainted with proper business methods—that is the conclusion you draw?—That is, perhaps, a little broader than I would put it, but it comes very much to that.

6424. Is the professional stocktaker that you employ employed by you or by the auditors?—He was selected by the directors because he happened to be doing it for the Durham Company—that is our neighbouring Trust company. Mr. Pease knew him to be an expert, and we got him to come down and do our work.

6425. What services do your officers perform for you?—Thoroughly audit the cash accounts at the end of the year.

6426. That is all?—That is all, and that is the only thing they can do. Auditors are not experts, so far as quality of material and stocktaking goes.

6427. Then the duty of seeing that the receipts are what they ought to be falls entirely upon you as secretary of the company?—At present, certainly.

6428. But take the case of a regiment, it would fall upon the Officer Commanding, or any officer whom you might appoint for the purpose?—Yes.

6429. Then if you had not a good business man with the regiment, what would you do?—I think you would

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be swindled. That is what it comes to. I ran a canteen in a volunteer regiment for many years, and we were making very good profits indeed, which we used for a prize fund, but it was a pure question of watching everything that came in and watching the receipts. After all, it comes to being so vigilant that the manager who is going wrong never knows when he may be found out. I think you were asking me about the manager receiving commissions from sellers some little time ago?

6430. Yes. Do you wish to tell us about that?—The only way we do is that we deal with first-class houses, and we tell them that on no account have they to pay anyone commissions, and that if they do we should cease business with them straight off.

6431. You would knock them off the list of supplying agents?—Yes, and we have given them all thoroughly to understand that there are to be no commissions. In fact, I told one man: "If your traveller is found in the house more than is necessary as a passing visitor, we shall cease to do any business with you at all."

6432. You should take that as evidence of improper methods?—I should consider, if I heard of him being there constantly, that there was something wrong.

6433. And you think that is a safeguard which is sufficient?—It is the only safeguard you can take.

6434. The instant dismissal of the man who receives the commission?—Certainly.

6435. And no more business with the man who offers the commission?—Yes, that is the only way you can do it.

6436. (Colonel Lambert.) Are commissions very commonly given by brewers?—Yes, they are.

6437. Very common?—I will not mention the names of them, but I was making a purchase from a brewer the other day, and I told him what I considered my price, and he said "I cannot do it." I said, "Just listen to this. You have no commissions to pay, you need no travelling, you need never go near the place at all," and he said, "Well, if that is so, I will take your price."

6438. (Colonel Bridge.) Was that a big, well-known firm? I do not want to know the name of it?—It is a

firm in a very good position, and he told me straight out, "Of course you know we have to travel, and we have to stand."

6439. (President.) What is the usual commission?—I am afraid I cannot tell you, I do not know.

6440. But it is given, you have no doubt?—I know it perfectly well. I travelled down with a brewer last night in the train, and we were discussing the question of commissions, and he said, "Unfortunately it is a recognised thing in the trade."

6441. That the man at the bar shall receive commission from the brewer on the turnover or sales?—Either the man at the bar or somebody in the house—the manager, perhaps.

6442. Somebody whose interest it is to push the sale?—Or to push the purchases in his line.

6443. (Colonel Lambert.) Supposing you were to speak to them about it, would they defend their action in doing so?—I do not know how they would defend it. It depends upon the man. I should not like to have to defend it.

6444. (President.) Have you got one of your forms of weekly receipts that you can put in?—I have not got one here, but I will send you one with pleasure.

6445. Is this giving and receiving of commission confined to beer, or is it extended to articles beyond beer?—I am very sorry to say it extends to a very great many things in business.

6446. How can you stop it?—That is a very difficult thing indeed.

6447. Would not the Lord Chancellor's Corrupt Practices Bill, introduced last year, be effective?—I think it should. Anyhow it would go a long way towards stopping it. Take my own case, since I have been secretary for this trust, we have bought of course very considerably in the way of furnishing, and the hundreds of sundries we want in a public-house, and I have been offered commission by more than one firm of good repute, it is a very objectionable thing, and I do not like it.

6448. Is there any other question you wish to give evidence upon?—No, I think not.

The witness withdrew.

Mr. W. Reid.

Mr. WILLIAM REID called and examined.

6449. You have come from Dunfermline at Mr. Ross's request?—At Earl Grey's request communicated by Mr. Ross.

6450. To give us some evidence as to the methods adopted by the Fifeshire miners to see that their public houses are run on honest lines?—Yes.

6451. We shall be very much interested in hearing anything you have got to tell us. You have got something to read to us, I see?—I wrote a short statement.

6452. Will you read it?—"I was associated with Mr. Ross, of Dunfermline, in the establishment of what are known as the Fifeshire 'Gothenbargs.' I did the legal work connected with the formation and registration of the societies under which the public-houses are conducted. I am responsible also for the scheme of management under which the businesses are carried on, and for the system of book-keeping adopted. I opened the books of the Kelty and Cowdenbeath Societies and set them a-going, and I audit the books of the Hill-of-Beath Society. I am secretary of the Dunfermline Society. An agreement is entered into between the society and manager of each house under which the manager is taken bound to account for all goods and liquors received into stock at their selling price. He is not allowed to give any orders for goods except through the secretary, and the secretary, when ordering the goods, requires the merchant to invoice them both to the manager and to him. The manager is debited with the goods so invoiced at their selling price, and must satisfy himself on receipt of the goods that what he has received is conform to the invoice. The spirits (brandy, whisky, rum, gin) are all bought from the merchants at the selling strength, so that there is no reducing of spirits from proof or over proof to the strength at

"which they are sold on the society's premises. The strength is tested when they come in, and the committee of management may test the strength at any time they please. The manager finds security for his intromissions either by taking shares in the society or by the bond of a guarantee society, and if the latter security is the one adopted, the society pays the premium on the guarantee bond. With regard to waste or leakage there should be practically none." In point of fact we find none. "There is none on the spirits, and while there is a little on beer and stout in barrel, an allowance is made for that by the brewer from whom the ale or stout is got, which should meet it." We find that, in point of fact, it more than meets it, because when we take stock, which is done usually about once a month, without warning the manager, we find that the stock is generally on the credit side.

6453. Of beer?—Yes, of beer, and of everything, there is generally a credit balance.

6454. That means to say, selling in small quantities he does not get rid of the whole stock?—Instead of there being a shortage or leakage, he generally has more in hand than he ought to have after crediting himself with moneys received for sales.

6455. But taking beer, where it is impossible to sell 54 gallons of beer in a hogshead in pint glasses without having a very large balance over to your credit?—We deal with what is called half-hogsheads, and these contain fully 36 gallons. It takes them from a fortnight to a month to settle down in the cellar. During that period there is a little loss, but when they are measured at the end of the settling down there are 36 gallons in them, and that we debit the manager with. The dipping rod shows them to contain the 36 gallons.

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6456. But the evidence given before this Committee leads us to believe that if you were to pour out 36 gallons into pint glasses, you would find that you would be able to serve 38 gallons. Do you understand what I mean?—Yes.

6457. Because you never fill up the glass to its measure?—Yes, quite so.

6458. That is what we call unaccountable waste, and as far as I can understand it, by your principle of management, you do not debit your public-house manager with anything for unaccountable waste?—No, we do not debit him with that. There is always a credit balance shown by our stocktaking as long as the man is honest. The balance is always to the good.

6459. (Mr. Harwood.) That very likely explains the fact about the credit balance? It is chiefly on the beer that it arises. You cannot give full tumblers or glasses containing a pint or a half-pint.

6460. (President.) You ought to have at least 5 per cent. of your beer over and above after you have served it round in glasses?—Somewhere near that.

6461. And the question is whether you ought not to debit your public-house manager with that 5 per cent. and credit your public-house fund with it. They do it in army canteens?—It comes to the same thing with us, as of course we get the credit balance. It all comes into our exchequer.

6462. You take it on the stocks?—Yes, we take it as unaccounted-for profit as it were. It just forms part of our profit.

6463. How much unaccounted-for profit do you take?—I should think the figure you name is pretty near—about 5 per cent. on the beer. We use half-pint glasses. If the glasses were smaller in size the profit would, of course, be more. Publicans sometimes employ glasses $4\frac{1}{2}$ or 5 to the quart.

6464. The smaller the glass the more he has out of it?—Yes, the more he has out of it, but with us even giving the measure exactly, as far as possible with a tumbler, I think it is about 5 per cent. I was just proceeding to say that "The waste or leakage to which I refer is known to the trade as 'tops and bottoms,' a gallon or so being generally lost in starting a barrel of beer and finishing it. This waste is so well known and ascertained that the brewers make allowance for it. My experience is, as I have said, that there is practically no waste or leakage unless something extraordinary has occurred to account for it; and the managers at the Fife Gothenburgs are quite content to contract with the societies on that footing. Stock is taken generally at the premises of the societies about once a month, and, without any allowance being made for leakage, the stock invariably turns out on the right side. Of course, in taking stock credit is given to the manager for the brewer's allowance above referred to." The managers of Fife houses are quite content to contract on that footing. I don't think men would readily be got to agree to account for 5 per cent. more beer than they received with stock. There is always an indefinite quantity sold by the quart, which so far counterbalance sales by the glass.

6465. What do you pay your managers?—From 2*l.* to 50*s.* a week, and give them a free house, and coal, and light.

6466. Who constitute the committee of management?—Just working miners in the villages.

6467. I suppose they are miners pretty well trained in business?—I do not think any of them have any business training further than what their connection with the co-operative societies may have given them. Some of them have been committeemen on the co-operative societies which have been formed.

6468. And in that way they have been trained in business habits?—That is the only way I know.

6469. But it would not follow because your miners in Fifeshire are able to manage their own canteens that the privates in the Army would be equally able?—I do not know why they should not. It really requires no expert knowledge.

6470. You take stock once a month?—Once a month, or thereabout.

6471. Who does that for the committee?—The committee themselves appoint two of their number to take stock during each quarter.

6472. Do they employ an expert in addition to these?—Only once a year at the annual balance, but at all other stocktakings they take themselves.

6473. Is the cash received banked at the bank?—Yes.

6474. It is not counted by the committee?—No.

6475. There would be no security to the committee, I suppose, if they did count it?—None whatever. They would only have to accept the manager's statement that that was the week's or the day's drawings, whichever it might be, till they took stock again.

6476. It is the stocktaking which is your safeguard against dishonesty?—Yes.

6477. I suppose you have had in the Fifeshire houses with which you are connected some cases of dishonest management?—We had a case of stock going amissing. That was at the Hill-of-Beath, where at two stocktakings in succession there was a large shortage, and the manager imputed it to theft from the cellar through a faulty lock or window, or something of that kind, and we claimed upon the Guarantee Society who had guaranteed the man's honesty; we would not take the excuse tendered, and they paid us some 68*l.*, I think.

6478. Then when you employ a man he must find security?—He must find security, either in the shape of taking shares in the society, which are made over to the society itself, or he must find security by way of a guarantee bond from an insurance company.

6479. That is, not more than one guarantor; one guarantor is sufficient if his security is sufficient?—Yes, if the committee is satisfied, or if he had a friend—

6480. Then that money is retained by you if the man is guilty of any dishonesty?—Yes.

6481. What other precautions do you take to prevent your men receiving bribes from the brewer?—He is bound, in the agreement not to give any orders to brewers—to receive no travellers in point of fact—but to refer them to the secretary, who in turn only gives such orders to him as the manager has communicated to the committee and the committee to him. So that the brewers and distillers and merchants now know perfectly well that there is no use going to one of these houses. They get no orders.

6482. They go straight to the committee?—They go straight to the committee, or to the secretary.

6483. Does that enable them to supply you at a lower rate, having to dispense with the necessity of travellers and commissions, and so on?—I do not know whether it does or not, but I think we make as good terms with them as the ordinary publican, at all events. I do not know whether they are able to supply at lower rates or not.

6484. Do you ever have any giving of commissions or offer of commissions coming to your knowledge in connection with Fifeshire houses?—No, I do not think there has been such a thing.

6485. I suppose the practice is pretty well as common in Scotland as it is in England as to giving commissions on sale?—I never heard of commission being offered in connection with these houses.

6486. (Mr. Harwood.) How do they pay?—They pay very well. I have a balance sheet beside me of the house at Kelty. That house has been in existence for two years now. It has seen two annual balances, and the first year's balance sheet to 31st December 1900 gives the drawings for that year 3,164*l.*, the gross profits being 1,400*l.*

6487. What has to come out of that?—After paying all expenses, writing down fittings, furnishings, and so on, 117*l.*, and the proportion of the expenses of forming the society and registering it 26*l.*, there is a balance of 602*l.*, being the net profit of the year.

6488. (President.) These big figures show that your working miners in Fifeshire are quite competent to organise a successful and honest management of their public-houses?—Quite.

6489. Which yearly supplies them with food as well as drink?—The Kelty house has a restaurant in connection with it, entered by a different door from the public-house, but at the other houses there is no separate restaurant. I don't think much food is taken at any of the houses.

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6490. How does the refreshment department at Kelty answer?—It has not been the success that they would have liked, although it has gone on improving since the first year. I think it is now meeting the expenses of management and leaving a little over, but it has taken a time. Of course, Kelty is not a village where others than the miners themselves call in for food. Their homes are all quite at hand, but still, they are taking advantage of it more than ever from time to time.

6491. Would you then draw the conclusion from your experience of the management by the miners of public-houses in Fifeshire, that the rank and file in each regiment might be trusted with the management of their canteens?—I think so, if there was someone who occupied a position similar to that of the secretary of these houses.

6492. You have given them your expert assistance very largely?—Yes.

6493. And Mr. Ross is also available for consultation?—Yes.

6494. He would take the position of Commanding Officer, I suppose?—I would not suggest the Commanding Officer should take the place of the secretary, because he would have trouble from day to day with invoices coming in, and keeping accounts.

6495. Who would undertake those duties?—I should say some non-commissioned officer who could write well and keep accounts, because he would require to keep an invoice book, cash book, and other books in order to be able to take stock and check the manager.

6496. Are there any other safeguards that you have adopted in Fifeshire to secure honest management?—There are no safeguards exactly, but I do not know, of course, how at a canteen the spirits would be taken in.

6497. They do not have spirits in canteens at all, but only beer; so that we need not enquire into that. How do you spend your profits realised by the public-house?—At Kelty they voted the first year for the bringing in of a district nurse. They had no nurse in the district, and I think she cost them over 100*l.* a year. They paid that, and they have continued her this year. Then they made some vote—I think it was 50*l.*—to the local library and to some other things, and they agreed to go on with the making of a bowling green, and the bowling green is now just about finished, I think, and they pay for other things. At the Hill-of-Beath they have built an institute, containing a library and reading-room and billiard and recreation rooms, and they have introduced the electric light. They have also made a bowling green.

6498. All out of the profits of your public-houses?—All out of the profits of the public-houses. Of course, the Hill-of-Beath one has been in existence longer. It has been in existence for four or five years.

6499. Do the men who live there regard these profits as belonging to them?—I expect they do in a sense. The rules of the society provide, of course, that the profits are to be applied to such public purposes in the village as the shareholders (who are the miners themselves) may direct.

6500. And they are administered for the benefit of the parish?—Not the parish; it is just the village.

6501. (*Colonel Lambert.*) Who gave the order that the money should be spent on these electric lights and billiard room, and so on for their own advantage?—The committee of management.

6502. The men themselves, that is?—The men themselves.

6503. And they look upon that as an honest and fair and legitimate way of spending the profits made at these public-houses, is that it?—Yes. It is their own vote. The profits can only be disposed of by the shareholders in their annual meeting.

6504. (*President.*) I see it is stated in the press sometimes that your Hill-of-Beath house is a great encouragement to drunkenness; what is your opinion?—I do not think that is the case. I think it is quite the reverse.

6505. It does not encourage drinking?—It does not.

6506. Not in the hope that they might be able to have a better bowling green and billiard table, and so on?—I don't think such a consideration will be present at the drinking of many glasses of beer.

6507. You think that is only a crank's idea?—Only a crank's idea. I do not think there is a man in the Hill-of-Beath who would drink an extra glass of beer to get a better billiard table, or anything else. He only takes it because he wants it. The house is the only one in Scotland, I think, that closes its doors earlier than the law compels. The men themselves resolved to close at 9 instead of 10 o'clock, and 9 o'clock has been the closing hour there for a considerable time now.

6508. What beer do you drink there?—Chiefly Edinburgh beer. I do not know the exact firms they deal with usually, but I think one is Usher and Company.

6509. Is that beer bought by the committee?—It is bought by the committee.

6510. And the manager of the public-house has nothing to do with it?—He has nothing to do with it. He has only got to see that he gets as many barrels as are noted in the invoices which he receives, and to see that the barrels are all right.

6511. What sort of cups or glasses does he serve the beer in? Supposing a man orders a pint of beer, how is it served him?—It is served chiefly in a pint measure made of glass.

6512. Is it washed after it is used?—Yes.

6513. A man has not to drink out of a utensil which has been used by somebody else?—No. They are immediately washed at all the houses. They keep a large number of these glass measures, and they are not costly.

6514. Is there much breakage?—There is not much breakage, but, of course, there is some from week to week, but nothing much. They seem to like these glass measures, they are always cleaner looking.

6515. Have they got a handle to them?—Yes, they have got a handle to them.

6516. (*Major-General Eaton.*) Do they stand each other much drink, or not?—Yes.

6517. You find four or five men come in together?—Yes.

6518. And they have all their separate glasses?—They have all separate glasses.

6519. They would not drink like the soldiers—five or six men coming in together and having a quart pot, and taking an alternate drink?—No, I do not think they would.

6520. (*President.*) Is there any other question that you would like to go into?—Not that I am aware of.

The witness withdrew.

Adjourned to Friday, the 9th instant, at 11.30.

THIRTEENTH DAY.

At the War Office, Pall Mall.

Friday, 9th May 1902.

PRESENT:

THE EARL GREY, *President*.

Major-General The Hon. H. F. EATON.
Colonel C. H. BRIDGE.
Colonel J. A. LAMBERT.

Major L. A. M. STOPFORD, D.A.A.G.
Captain BOEHMER.
G. HARWOOD, Esq., M.P.

Colonel BARRINGTON FOOTE, *Secretary*.

LORD RAGLAN, called and examined.

Lord Raglan.

9 May 1902.

6521. (*President*.) You are Commanding Officer of the Monmouthshire Royal Engineers (Militia)?—Yes.

6522. I understand you have come here to give evidence on the management of canteens in the militia?—Yes.

6523. I shall be glad if you will state to the Committee your views?—I will state what I do in my regiment. We get our stuff for the dry canteen from Dickeson, and have done so for many years. We get the beer from Simmonds of Reading, and have done for many years. I run my own canteen. Dickeson's firm supplies a man to sell the groceries, and Simmonds' firm supplies a man who sells beer in the wet canteen.

6524. When you say you run your own canteen, what do you mean by that?—We take all the profits ourselves. We have no arrangement with other people to take the wet canteen, we buy so many casks of beer and the proceeds of the sale we put into our own pockets.

6525. And you have one of Simmonds' men to sell?—Yes.

6526. I suppose it is to his interest to sell as much beer as possible?—I do not think so.

6527. Does it not stand to reason it must be so if he is one of Simmonds' men? The more beer you buy the better it is for Simmonds?—To that extent it is so I suppose; but he is my servant.

6528. (*Major-General Eaton*.) It is a regimental canteen?—Entirely regimental.

6529. (*President*.) What length of time is your militia training?—Eight weeks' preliminary and six weeks' training.

6530. Fourteen weeks altogether?—Yes.

6531. I suppose you find it saves you a lot of trouble to put the catering for that length of time into the hands of a tenant?—It is not a tenant canteen, we do it entirely by ourselves. We buy our stuff from Dickeson's.

6532. But you might buy your stuff from any place if you find a better market?—Yes, that is so.

6533. Is that the usual practice in militia regiments?—No, I should think most of them probably have tenant canteens.

6534. In order to save trouble?—In order to save trouble.

6535. But you have found that it is desirable to keep a tight hold over the management of your canteen?—If it is a tenant canteen you have not the same authority as you have when you are doing it yourself. I have tried other places. I have tried to get the local grocers to supply me with goods, but they cannot supply them at anything like the price of Dickeson, or the quality.

6536. Have you ever tried the Co-operative Wholesale?—No; not being able to get a local firm to supply and Dickeson's having done us always very well.

6537. So that you have stuck loyally to the old firm?—That is so.

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6538. But if you could get equal quality at better prices you naturally would go elsewhere, in the interests of your own men?—I should go elsewhere, yes.

6539. What do you do with the surplus profits?—We put up two large corrugated iron huts for the men to mess in four years ago. Last year we put up another place for the Army canteen, and I have got some money and I hope to make more places of that sort.

6540. You spend the profits on the collective benefit of your men?—That is so.

6541. I suppose that with your experience of the Army you would say that if it is possible to run a regimental canteen for a term of a few weeks in the year it ought to be much more easy to run it permanently?—Yes, naturally so. You pay higher wages; you have two moves; you have to get all the stuff there and you have to get all your surplus stuff away when you have finished, and naturally there must be some waste.

6542. And in spite of those difficulties, you find there is nothing which ought to prevent an Officer Commanding a militia regiment from running his own canteen?—I do not think so, if there is a little trouble taken.

6543. You think he can secure the interest of his men more effectually?—Yes.

6544. Does it require very much work?—No; but it requires extreme intelligence to understand the official books. I have run the canteens a good many years, but I cannot understand the regulation books; they are blood-curdling. I have never understood them myself, nor have I ever found anybody who did.

6545. You have found the difficulty of understanding the regulations issued from this office much greater than the difficulty of running the canteen?—Yes.

6546. What precautions do you adopt to check waste and corruption on the part of your canteen manager?—General results. I never look to make any profit out of the grocery except to cover expenses and waste in cutting up, and if there is any loss on that I look into it, and I have sent a man back to Dickeson to tell him he is not doing satisfactorily, and he must send somebody else.

6547. Then as to the beer?—As to the beer, I have been satisfied with about 5 per cent. to 6 per cent. of unaccountable profit.

6548. And if you get that you are satisfied?—I am satisfied.

6549. The question of corruption has not come before you?—You see this is practically one deal. Dickeson knows, and Simmonds knows pretty well what amount will be used. It is not like a thing as to which there are many deals, and which may give various chances for corruption.

6550. You think it is not to the interest of anybody to offer a commission where they know they will not get the order?—I do not think so.

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6551. I suppose it is well known in that district that Dickeson will go on supplying the groceries and Simmonds the beer, and that there is not likely to be any change?—No, I do not suppose there would be anybody changed unless we went somewhere out of the district.

6552. I presume you are acquainted with the Canteen and Mess Co-operative Society?—Yes, I have had experience of them. They had the canteen at Salisbury Plain when I was there in 1900.

6553. There is a strong feeling that if we could really establish a well-managed organisation which would divide all the profits among the soldiers, after 5 per cent. interest had been paid upon capital, the interests of the soldier would be secured?—Yes, I think, theoretically, that sounds very well. But, first of all, I do not hold with an official management, and secondly, I do not like being obliged to go to some particular place for my goods; I do not like my canteen not being under my own command. That is what I found at Salisbury Plain. These people were not in my service, and I wished to be responsible for the canteen. There were civilians in my canteen, and I said, "I will not be responsible for what they choose to do behind my back."

6554. Are you in favour of having soldiers as officials in canteens?—I do not like it.

6555. You must have one or the other?—Yes. There are disadvantages both ways. But I think, if the Commanding Officer is to be responsible for the conduct of his canteen, the people serving in that canteen should be his own servants, whether soldiers or civilians.

6556. From the manager down to the lowest subordinate official?—Yes.

6557. (*Major-General Eaton.*) Do you know what is the average profit you make a year?—Roughly speaking about 120%.

6558. What is about the strength of your battalion?—300 men.

6559. That is 120% profit on six weeks' trading—roughly about 5s. a man?—Somewhere about that. Now I get the preliminary drill of course, it will be more.

6560. (*President.*) I understand you sell your dry goods at cost price as near as you can?—Yes, I do not reckon to make anything out of them.

6561. What profit do you make out of the beer?—I cannot say at the moment how much beer they drink. I sell it at 3d. a pot. It is a lightish beer—a little lighter than it was.

6562. In fact all your improvements come out of the beer money?—Entirely out of the beer.

6563. Do not you consider that offers an inducement, unconsciously perhaps, to push the sale of beer?—I do not think the sale of beer wants much pushing in my regiment.

6564. Perhaps it wants the opposite influence?—These are men who earn very big wages in civil life, and are used to being drunk twice a week all their lives, and they do not want much inducement to drink.

6565. What have they to do besides going to the wet canteen when they are off parade?—They have a pretty good time of it. They do not get off parade till very nearly 6 o'clock in the evening.

6566. What can they do then—go into the town?—Yes; they do not go there very much.

6567. The wet canteen is the only place for them?—There is a mechanics' institute in the town.

6568. There is practically nothing for them to do except to go into the wet canteen and drink?—Very little else, and I do not know that they would do anything else if they had the chance.

6569. But they have no alternative?—No, but they have football and the gymnastic apparatus which are provided for them, and a few of them play cricket.

6570. (*Mr. Harwood.*) We have had figures which show that the canteens in the British Islands make a profit of about a quarter of a million a year?—Yes.

6571. We have heard it stated by different witnesses that this sum of money is used by each Commanding Officer for different things, but we have had no statement put before us of how it is used, and we want a little more information on that point, as a quarter of a

million a year is a very large sum?—It is about 2% a head per man.

6572. How is that disposed of generally? Are there accounts prepared by each Commanding Officer showing how he disposes of that sum?—Everything is put into the canteen account.

6573. We want light on to the question as to the best way to dispose of this quarter of a million of money?—A quarter of a million sounds a very great deal, but it works out at very little more than 2% a man a year. There are about 120,000 men in the British Army at home, and there are a great many things which, totted up, amount to a great deal. Most regiments give coffee or soup to the men on guard. We always do that. Then there are prizes for games, &c. For instance, when my regiment goes to Chatham, which we do every third year, we give the men a meal on the way. That comes out of the canteen profits. Coming back the same.

6574. We have been told by a number of witnesses that it would be a very good thing if there were improvements in the canteens, buildings, &c.; better accommodation for amusements, and so forth; and one wonders whether some of these profits out of the canteens could not in some way be used for these improvements which everybody says are so desirable?—In a great many regiments they have entertainments and concerts, and so on, in their canteens.

6575. Are they worked out of this fund?—Yes, they are worked out of this fund. I do not care about them myself.

6576. From all the witnesses we have not yet received an account of any very substantial thing that has been done, but this seems a large sum of money to be provided in that slipshod way. Do you consider it is disposed of to the best advantage now?—Yes, I do think so. There are always many things which are required for the benefit of the men which must come out of a fund like this.

6577. (*President.*) I understand that you do appropriate a certain portion of your wet canteen profits to the erection of permanent buildings?—We have put up some very substantial buildings.

6578. At what cost?—250%., I think, was the first cost of the huts we put up.

6579. Are they corrugated iron?—Yes.

6580. (*Mr. Harwood.*) The impression one gathers from the witnesses who have been called is that they have provided better accommodation in the canteens, but we wish to see if there is some principle which can be adopted of using the profits?—I think that you do get the greatest benefit to the men out of the present system of using the profits. Capital improvements are the business of the State. In fact, the ordinary Line regiment could not spend any money on capital improvements, because it would never be anywhere more than a year. It is only with a militia regiment that you are able to do that sort of thing, and I am not sure that even then it is not really the business of the State.

6581. Surely you need not confine the conception of it to regimental units. Suppose it was advisable to organise this system in a general way. Suppose it was advisable to have one organisation for supplying groceries and another for supplying beer, it would have, if it managed its business properly, a surplus of a quarter of a million to 300,000% a year. Now, how should that sum be used? It might be used for the benefit of the soldier in making capital improvements in canteens, &c., or it might be used in handing sums to the Commanding Officers for their disposal as they thought proper. Now, I want to know whether you think that the method of the Commanding Officers disposing of it as they think is the best way?—I do think so.

6582. One can understand that officers do not like to lose their power?—Well, I do not think the management of the canteen is a particularly grateful thing.

6583. I am referring to the disposal of the profits?—And even the disposal of the profits is not a very easy thing.

6584. (*Colonel Bridge.*) Do not you think that you have placed the figure rather low in saying a quarter of a million is the net profit in the year?—I do not think that was my figure.

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6585. Colonel Lambert makes it about 440,000*l.*, and I make it over half a million?—I do not know what it is.

6586. (*President.*) Whatever the amount is, you object to going into a district and being told you have to deal with Dickeson or Lipton, or the Canteen and Mess, or any other society?—Yes. I object to that, and I object still more strongly to the servants of the canteen, whoever they may be, being the servants not of myself but of some company or society, and I should equally object to it if it were Dickeson's.

6587. But do not you think that could be met very well by a clause in the contracts placing the servants under the command of the Commanding Officer?—Yes, if the Commanding Officer is allowed to sack the man off his own bat.

6588. He has just as much power over the servants of Lipton or Dickeson, or the Canteen and Mess, if the contract is drawn in that way—more power, indeed, than he would have over the soldier, because he can dismiss him at a moment's notice?—Yes; in the case of one of Dickeson's men not giving satisfaction, another man is sent.

6589. He always has a certain number of trained men?—Quite so. If it is done by a district, then, I think, all responsibility should be taken off the shoulders of the Commanding Officer.

6590. The details of management as well as the general management?—Yes, the whole management.

6591. Where would you vest it?—I do not know; as long as it was not vested in me, I should not care where it was vested.

6592. I understand you to mean that if there is a system of district contracts, then you would leave the G.O.C. responsible?—Yes, and he would make regulations for opening and closing the canteens. It is a point of very great importance to have the full control over the opening and closing hours of canteens.

6593. But I understand you to be very strongly of opinion that the regimental officer ought to be saddled with the responsibility for the management of his own canteen?—Yes.

6594. (*Mr. Harwood.*) Do you think that having the control of your canteen necessarily implies having the control of the buying or deciding about the buying of articles; is there any necessary connection between the two?—I think there is. If you are responsible for running your canteen, you are responsible for having the articles there which the men want. But if you are getting them through a central business they may not have them there, or you may have a difficulty in getting them, or they may not be up to sample.

6595. Does it not seem simpler to have one general supply store and get anything you want from there, and would you not have the same opportunity of complaining that you would have if dealing with a private firm?—But would a firm in that position have the same interest in serving their customers—in following the fads of their customers, if I may use the expression—in the way that a private firm does? The central organisation would know they had a monopoly, and that whatever you said or did would make no difference to them, and they would not, therefore, be likely to treat you as well as a private firm.

6596. The control of the canteen, I take it, means having the goods properly supplied and having proper order maintained. But is not that quite conceivable without having the power of buying? For example, in the district canteens the officer has no power to buy, has he?—No.

The witness withdrew.

Lieut.-General KELLY-KENNY, C.B., recalled; further examined by the President.

6610. We have received evidence which leads the Committee to suppose that some grave irregularities have taken place at the canteen at Deep Cut. I make the statement on the authority of the "Military Mail," an Aldershot paper, the proprietor of which submitted these allegations to us in evidence the other day, and I wish to ask you whether the matter has come before your knowledge in any way?—Yes. The newspaper, the "Military Mail," I think it is called, was sent to me, and sent to many other officers in the War Office, and that particular article regarding the canteen at Deep Cut was marked, so that I was able to notice it at

(*President.*) The G.O.C. settles the source from which the goods shall be supplied, and the Commanding Officer has control over his canteen. The two things are absolutely distinct. But Lord Raglan prefers their being both under the control of the Commanding Officer.

6597. (*Mr. Harwood.*) But one is not necessarily involved in the other?—I put it in this way. Suppose there is a complaint about the bacon. The men say the bacon is not good. Can I say to the men, "I have nothing to do with it, you had better go to the G.O.C. and complain." But if I am running the canteen, and if the bacon is wrong, then I can jump on to the canteen committee. If, on the other hand, it is bought by a district, there is no person I can go to, except write an official letter on foolscap to the General. I have my remedy against Dickeson. I can say, "Your bacon is bad, and I am going to buy some bacon in the town at 3*d.* a pound more than yours, and I shall deduct the difference from your bill; it is your fault, sending me this rusty bacon." Whereas, in the other case, I have no remedy.

6598. (*President.*) Who is your canteen committee?—The three senior officers.

6599. Your general attitude rather seems to favour the regimental canteen to the tenant canteen?—Yes.

6600. (*Colonel Lambert.*) What district is your regiment in?—Western.

6601. Is that one of the districts which has had a district contract?—Yes, but it has not affected me.

6602. Can you tell us, roughly, what number of men are employed in your canteen?—Last year we had a voluntary training and I had very few men out. My recollection is I only had two soldiers employed in the canteen.

6603. In ordinary years what would, roughly, be the strength of men employed in your canteen?—Not very many. You see, I get the man for the grocery bar and the man for the wet canteen from Dickeson and Simmonds.

6604. They are civilians?—Yes, the wet canteen man comes from Simmonds', and the dry canteen man comes from Dickeson's. Then there are assistants—one man in the grocery bar, and one or two men in the wet canteen.

6605. Those assistants are on your company's pay lists as soldiers?—Yes.

6606. Under the regimental system in the Army the canteen was manned, with the exception of the canteen steward, by men who did appear upon the pay lists?—Quite so.

6607. Does that appear to you to amount to a large Government bonus in favour of that system?—Yes. I see exactly what you mean. The services of these soldiers were paid for as soldiers who are not really soldiers.

6608. It has been given in evidence more than once before this Committee, that the groceries are a necessity to the soldier?—Yes.

6609. As far as the militia is concerned, is there any rooted objection, that you can think of, to their being supplied with the other portions of the rations, the bread and the meat?—There is no difficulty with the bread and meat; you have only got two things, which are actually issued day by day, as it were; but practically the bulk of the groceries would not necessarily be drawn every day, and the fluctuation in numbers is so great that I see a difficulty. I should like to see it done, but I see difficulty in it.

once, and I read it. Then it gave a very sad account of the irregularities and of the grumblings of the men, and of the prices, and the whole of the management of the artillery canteen at Deep Cut camp. I sent the cutting to General Hildyard commanding, and I told him to make a thorough inquiry into this, and to let me know. I heard from him four or five days afterwards to say that he had made this inquiry; that he had seen the officers and gone into the matter very carefully, and that there was not a single word of truth in the statement, but quite the contrary—the canteen was well conducted, that the men were per-

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fectly satisfied, and that the officers were satisfied, both with the quality of the goods and the prices, and with the way they were treated by the Canteen and Mess Society.

6611. There was not a word of truth in the allegations in this paper?—There was not a word of truth in them.

6612. Then the only conclusion one can draw is that it was a malicious attack against the Canteen and Mess?—That is the conclusion I draw, but, of course, I do not know what the Committee may think.

6613. However, I understand that you brought those accusations to the attention of the officers responsible for the canteen?—Quite so.

6614. They informed you that in their opinion the canteen was well conducted?—Yes, that there was no ground whatever for the complaint.

6615. And that the men were quite satisfied?—Quite so.

6616. Then it is hardly worth our while calling anybody else from that district to give evidence?—Not if you accept General Hildyard's statement to me.

6617. Have you heard the Canteen and Mess Society attacked because of its want of business habits?—No, except in letters and newspapers, and of course I weigh them all with a little suspicion. I have seen such things in newspapers, but never heard anybody in authority who was able actually to say it—I never heard a word against them.

6618. When you have had, by reason of your official position, to call for an investigation and report, you have been satisfied with the Canteen Society?—I have not had occasion to call for any investigation. There has never been a necessity before me since I have been Adjutant-General to call for investigation; but, of course, occasionally when I see General Officers I speak to them about this question, and I hear nothing but good of the society.

6619. It has come up in evidence this morning that a very large figure of about half-a-million sterling represents the net profits, chiefly resulting from the wet canteen, and it has been suggested by one of the members of the Committee that the appropriation of this very large sum of money does not produce the best results possible, and that the present plan of handing the profits of the canteen to the regimental officers is wasteful, and that we might get more for the soldier if there were some better thought-out scheme for appropriating the profits for the collective benefit of the Army?—I do not think so. I do not think anyone would be so capable of knowing the requirements of the soldier as the Commanding Officer. If you have a hard and fast line drawn it would be perhaps very inconvenient. The men are ordered to march very early, and coffee is provided free. Now, if you gave the profits in any other way, say in money, they would not buy the coffee; and in a great many other small ways I think the Commanding Officer is more likely to know what will be good for the men, and what they like, than anyone else.

6620. (Mr. Harwood.) It struck me in considering this question whether some of the objects in the provision of which the profits are spent are not objects which ought to be provided in the ordinary course of things and not taken out of the profits made out of the soldier. This committee is asked to consider whether the soldier can be benefited, and it would strike everyone that such things as hot coffee for men on guard or early morning eatables, looking glasses, whitewash, brushes, sawdust for the soldiers' barrack rooms are not things which could fairly be provided out of the profits made in canteens, and that you do a number of things which I suggest ought to be done for the soldier as a soldier?—Yes, but what I say is that until the Government provides them, I would make the canteens pay for them. I would be very glad if the Government did provide them, but as they do not it is better that the canteens should pay for them than that the men should not have these things. If you are to stop the issue of coffee in the morning till you get the Financial Secretary to pay for it the men will grow old before they get it.

6621. It has been brought before us as a fact that the food which is supplied to the soldier as a soldier is not enough, and that unless that food is supplemented by things he buys out of his own pocket he cannot be

expected to keep up his condition?—Yes, I gave evidence upon that question the other day, and I did recommend that he should have still more.

6622. You have as it were a monopoly of his business; and, then, out of the profits which you, as a tradesman, make from him, you make him pay for a number of things which are obviously part of what he ought to have as a soldier?—Yes, quite so.

6623. Then it has been brought before us by many witnesses that the buildings of the canteens and the entourage of the canteens in many cases are not at all what they should be, and that they are shabby, but that there is no fund for improving them, and that they are not improved. Does it not seem to you reasonable that as you are doing business with him as a canteen customer you might provide for these things out of the profits that you make out of him as such a customer?—You mean to say the buildings of the canteen?

6624. I mean the improvements in many places?—I gave evidence on that point too. I think it would depend a great deal upon the balance that was over. I should not like the canteens to go into debt, and, as I mentioned, there are some canteens which have so much money over that we allow them to do it.

6625. Lord Raglan mentioned the case of his own regiment where they made capital improvements, and it seems to me that there are two questions before this Committee. The first is, "Is the present system of business such that we are getting the best profits out of the canteen?" And the second question is, "Are those profits disposed of to the best advantage to the soldier?" And it does seem to me that this large sum of money, ranging from a quarter to a half a million per annum, is a sum of money out of which a great deal more might be done than we have heard is being done?—Lord Raglan's regiment is a stationary regiment, but an ordinary regiment might be in York to-day and next year at Limerick, and they do not like spending money for such purposes out of the canteens.

6626. But why should we be limited to the regimental idea. The soldier is a soldier, and if improvements are made out of the money made by the canteen, and the regiment goes away another regiment comes in?—Not always. That is the difficulty. It may happen that the station is shut up.

6627. We are not approaching that sort of thing at this period, surely?—That happens frequently.

6628. Soldiers' quarters must be occupied, because the number of men in the Army is being increased?—The number of the Army may be increased, and yet the stations may be shut up. The very fact of increasing the number of the Army does cause stations to be shut up, because we are amalgamating them in large camps.

6629. But those are exceptional cases?—If there is a difference of opinion between one regiment taking over the things of another the Government undertake to negotiate; as a rule there is not that difficulty. Whether the Government could do it in the large way you suggest I am not sure. They do in India. The Government in India actually settle it; but when the station is shut up the Government do not pay, and the regiment loses.

6630. (Colonel Bridge.) A General Officer the other day suggested that could always be done—that supposing a regiment goes out the next regiment could be made to take them over?—But I have known cases where very extravagant things were done, which the incoming regiment objected to—conservatories and armchairs, and very luxurious things. The incoming regiment found that their funds would not admit of it, and they objected, but in the end a compromise has always been come to. But this was not on the large scale you suggest, and if we did it on such a large scale the War Office must step in and take the responsibility.

6631. (Mr. Harwood.) I have visited military stations in India, and stayed at them, and I am bound to say that they do provide for the comfort and reasonable enjoyment of the soldier?—Quite so. They have no competition in India; there are no dancing saloons, and public-houses, and winter gardens, and other means of attracting the men out of barracks. They get all the profit, and they get all the men's custom.

6632. Because we have this competition there is no reason why we should give in to it, and say, "Because

"we have competition, therefore we will not try to improve things"?—By no means. I am all in favour of it, if it is done without rushing into debt.

6633. (*Colonel Bridge*.) I take it the State cannot be expected to do everything, and there must always

be things for the men to do themselves, just as a working man paints his front door?—Quite so; and if you take a furnished house you always have to do something to it. You must also remember that the house given by Government to the canteen is rent free.

The witness withdrew.

Major H. HUNTINGTON called and examined.

6634. (*Colonel Lambert*.) Where are the headquarters of your regiment, the seventh battalion Rifle Brigade, during non-training time?—At Dalston.

6635. Do you keep a canteen going the whole year round?—No, we have no men there. It is an old-fashioned militia barracks; there is only room for the permanent staff.

6636. What is the strength of your permanent staff?—I should think there are about 30.

6637. Where do they obtain their liquor supply?—I have heard—but really I have had nothing to do with it—that they get it from Simonds'.

6638. Then there is a canteen—a small one which supplies liquor—there?—They have a sergeants' mess; there are none but sergeants there.

6639. Your drummers and buglers belonging to the permanent staff could not use the sergeants' mess for that purpose, to buy drink from it? It all hinges on the question, is there any sale of drink at headquarters during non-training time?—Really, I cannot answer that, because I have had nothing to do with it.

6640. Where do you generally train?—At different places.

6641. Where was your last training?—We were embodied at Shorncliffe.

6642. How was the canteen of your regiment run when you were there?—On the tenant system.

6643. Who were your tenants?—Simonds ran the wet canteen and Dickeson ran the dry canteen.

6644. Who were the men who were actually engaged in selling beer in the wet canteen?—Civilians.

6645. Supplied by Simonds?—Yes; he does the lot.

6646. How much did Simonds pay your regiment for it?—9*l.* per 100 men, per month.

6647. Anything he made over that was his own profit?—Yes; I take it so.

6648. Therefore, one would be correct in assuming that it is very much to the advantage of his potmen and salesmen to sell as much drink as they possibly can?—Naturally it would be. A man does not keep a shop for nothing.

6649. Was that quite a satisfactory way to keep it?—Yes, quite so.

6650. Then there were no complaints of any sort?—I used to go at all hours into the canteen myself, and I have tasted the beer.

6651. Have you any other check upon the quality of the beer than yourself tasting it?—As I am a beer drinker, I reckon I know good beer. But I never heard any complaint. I asked the older men who are really the men who drink beer; the boys, as a rule, live in the dry canteen.

6652. Who chose Simonds and Co.?—We put it out to open competition. I am arranging now for our next training. I send round to two or three brewers, and the one who I think will give us the best terms I refer to the Colonel, and it is decided to take him. They have to give it according to a certain specific gravity, but that is all arranged in the contract.

6653. The question as to what firm shall provide the beer rests with you, as canteen president, I assume?—No, it rests with the Colonel. I have to refer it to the Colonel.

6654. You do not know that your men like that particular beer; are they consulted at all?—You see we have to arrange before the regiment comes down. We could not leave it till the last minute. The battalion comes out in about a fortnight's time with the recruits, and we have to have the canteen open for them. Then they are down for a month, the ordinary annual training.

6655. So that, practically, your evidence is limited to the training time; their non-training time you do not speak of, except by hearsay?—No, I have nothing to do with it. But I have run a canteen at a dépôt.

6656. Under what system?—That was under the regimental system. I was canteen president at the Dorchester Dépôt.

6657. (*President*.) Is there any point you would like to bring before the Committee?—No, except that according to my experience it is of great advantage to have half a dozen different firms who are all trying to get your business, because we always agree that if they do not supply us with beer to the satisfaction of the officers and men we can sack them.

6658. How many firms of brewers do you put up on your list of tenderers?—Of course there are many brewers that will not run it on the tenant system. They will supply you with beer. But in the short time we have for training it is impossible for us to run the regimental system.

6659. We have had a militia officer here who strongly advocates keeping the management of his canteen under the control of the Commanding Officer?—It may be so.

6660. That is not your experience?—No; because you often get stock on your hands. I have had cases where the men in the dry canteen have demanded to have fried fish or trotters; and you get them in and they do not eat them, and then you have to bear the loss if you run it yourself.

6661. You are in favour of the tenant system?—I am, yes.

6662. Who is your tenant for the dry canteen?—Dickeson. He used us very well during the embodiment.

6663. (*Colonel Lambert*.) Have you been at manoeuvres with your regiment at all during the last three or four years?—I was at Aldershot manoeuvres for a fortnight.

6664. Have you been at any manoeuvres at Salisbury Plain?—I was at Salisbury Plain in 1899 for manoeuvres. We were in fixed camps.

6665. You went into camp?—Yes.

6666. Were any of the firms that you have employed in the canteen employed doing any different jobs for the regiments, such as carting; or were any of them employed in any form of regimental transport?—I never heard of it being done.

* 6667. (*President*.) When you are on manoeuvres, which of your tenants is the more active in meeting the requirements of the men—Simonds who supplies the beer or Dickeson who supplies the dry goods?—I have found them equally obliging.

6668. Is your experience that of other officers, that the wet canteen and the beer is always handy—comes before the eatables?—No, I do not think so.

6669. If it were, you would make a complaint I suppose?—Yes.

6670. It is not your interest as a regimental officer to push the sale of beer, because you get a fixed sum?—We have no interest in it at all except for the benefit of the men. What interest could we have?

6671. The men are not interested in the sale of the beer, because all the profits go to Simonds, who pays you 9*l.* per hundred men per month?—Yes.

6672. So whether your men drink little or drink much they do not benefit, they do not have any more or less than the 9*l.* per hundred men per month?—That is so.

6673. Therefore it is to your interest, with a view to efficiency, to keep down the sale of liquor as much as possible?—I do not know. I do not think it makes a great deal of difference.

Lieut.-Gen.
Kelly-Kenny,
C.B.

9 May 1902.

Major H.
Huntington.

Major H.
Huntington.
9 May 1902.

6674. Do you think it is desirable the men should drink a good deal?—No, but I think the man should have his quart of beer if he wants it.

6675. I want your opinion?—I do not think it affects the efficiency of the man at all. If he wants his beer he should have it. Of course what we find is that the boys eat buns and drink lemonade and ginger beer and so on, and the older men always go to beer. That is what we find.

6676. Are the buns and the ginger beer as available on the march as the beer?—Certainly, because we have two different centres, so that they are interested in their own affairs.

6677. If both parts of your canteen were under one management is it probable that the beer would have the prior place?—It might have. I do not know.

6678. (*Captain Boehmer.*) You have to make provision also for catering for the officers' mess?—Yes.

6679. And I suppose the practice in your regiment is that you generally find one contractor for the dry goods canteen and for the officers' mess?—Oh, no.

6680. You have a different caterer?—A different man altogether.

6681. Has it ever been suggested that, in making these contracts for the canteens, they should have the supply of the officers' mess as well?—Never in my time. I have never heard of such a thing.

6682. (*Mr. Harwood.*) What do you do with these profits which you make at the rate of, roughly speaking,

1l. per man per annum?—We give a grant in aid to messing. When we were embodied we were out for six months, and we got at the rate of 3s. per head. We gave them on an average 2s. a month per man towards what we call improvements in messing—that is, to get rations for breakfast. They get a rasher of bacon, or boiled eggs, or butter, or something for tea, kippers and so on. That is put in what we call a grocery book, and that is added every month.

6683. Do you make a statement showing how you dispose of this?—It appears in the grocery book. The grocery book shows the amount of groceries you have received day by day, and whatever the amount comes according to the strength of your company—say it was 5l.—then the jam or any extra thing you get for the men would appear against this credit, and at the end of your month you ought to show you have expended that 5l.

6684. It would be rather difficult for an ordinary soldier to follow a statement of account of that kind, would it not? We are told he takes no interest in it, and it certainly seems difficult for him to understand it worked out in that way?—He would know he was not paying for it himself—that he had a kipper this morning and a boiled egg. I should like to add, I think it very important to make the dry and wet canteens as attractive looking as possible so as to compete successfully with the grocers' shops and public-houses, by having bright attractive glasses, counter, and canisters.

The witness withdrew.

Major
A. L. Paget.

Major ARTHUR LEOPOLD PAGET, called and examined by the President.

6685. What is your position?—I am Major and honorary Lieutenant-Colonel 4th Gloucester Militia.

6686. You are second in command?—Yes.

6687. What is your strength?—I cannot say what it is now. When we were disembodied, I suppose we were about 450.

6688. How long have you been embodied?—We have been embodied for 18 months.

6689. Will you kindly tell the Committee what arrangements you make for the canteen requirements of your men?—We were embodied first of all in Ireland for three months, and had headquarters at Athlone. The regiment was split up into three detachments; there was one company at Athlone, two companies at Galway, three companies at Castlebar.

6690. Your militiamen have the same ration as the Army, have not they?—Yes.

6691. And what do they receive?—The same as the Army.

6692. And they have some grocery allowance?—Exactly the same in every respect.

6693. Your business, then, is to provide a canteen through which they can get their groceries?—Yes.

6694. What arrangement do they make?—At Athlone it was done on the tenant system. The other detachments made their own arrangements. Contracts were arranged for them by the General Officer Commanding.

6695. That is as to the quarter from which they should purchase the articles they require?—Yes.

6696. Then the two detachments were outside your tenant system, and were obliged to obtain their goods from where?—I cannot say; they made their own arrangements.

6697. I understand the G.O.C. made the arrangements?—The arrangements were made, and they did the best they could with them from where they were.

6698. So the responsibility rested with the G.O.C., and not with your officers?—As far as the contracts were concerned.

6699. It was only the responsibility that rested with you?—Yes.

6700. Who was the tenant of the detachment of your militia at Athlone, where I understand you to say they were quartered?—I could not give you his name now.

6701. Although you are second in command, you do not take a great personal interest in the canteen?—Yes.

I do take the greatest personal interest in it. But I could not tell you his name. He was an old soldier, I know that. By name Mr. Walker, late Sergeant-Major Gloucester Regiment. I was only there about two months. I remember he was an old sergeant of the 28th.

6702. Did he supply you with all the goods you required?—Yes.

6703. We have had it in evidence here that the grocery is one of the important parts of a soldier's rations?—Most important.

6704. Therefore it is most important that they should get them from the best sources—that the best articles should be supplied at the lowest price?—Yes.

6705. Was this old soldier, who was employed to cater for your men, himself in the provision trade?—Yes, he had had a depot at Athlone for some time.

6706. You found a going concern?—We found a going concern, and we had to adopt it.

6707. Because you were there only two months?—We were only there for a short time, and we did not know when we were going to be moved.

6708. Therefore, as you did not know when you were going to be moved, you had to take the system that you found?—Yes.

6709. But that system that you found does not strike me as the most effective one for securing for your soldiers the best provisions that could be obtained at the price?—You see the militiaman is so very different, as a rule, to the regular soldier. We are generally only out for one month.

6710. Therefore it is most important that the organisation for supplying your men with the groceries they require should be on the most scientific and business basis?—Yes; but we have not time to do it.

6711. You cannot possibly set up a system such as you would like to establish; you find a bad system, and you are obliged to make the best you can of it?—We are obliged to make the best we possibly can of it for the short time, as a rule, for which we come out to train.

6712. Did your men grumble at the character of the goods supplied at Athlone?—No; there were absolutely no complaints. Everything appeared to be very good.

6713. Your men never do complain, do they?—I am sure they would if there was cause for it. I think they were well content.

Major
A. L. Puget
9 May 1902.

6714. You think it was very well done as compared with other places?—Yes, as compared with any place.

6715. How is the wet canteen managed?—The contractors of the district supplied the beer.

6716. You mean a local brewer?—I cannot say now whether he was a local brewer or not: but whoever was the contractor was the contractor of the district under the orders of the General Officer Commanding.

6717. It was a district contract?—Yes.

6718. The G.O.C. ordered the beer?—Yes.

6719. It was your business to see that the beer obtained from the brewer selected by your G.O.C. was served through your canteen in a way that maintained the discipline of the Army?—Yes.

6720. Do you know what rebate you got on your contract?—No.

6721. What advantages did you get out of the wet canteen?—The thing being managed on the tenant system we only got so much per head which the tenant gave us.

6722. How much was that?—I could not say.

6723. But does not the comfort of your men depend upon the profit you make out of your wet canteen?—To a great extent—the wet and dry.

6724. But you cannot tell what profits you got out of the wet canteen?—It was a contract with the tenant and he gave us so much per head according to the number of men we had in garrison.

6725. You do not recollect what the percentage was?—No. I do not remember now. Then afterwards we were 15 months in St. Helena.

6726. What canteen arrangements did you make there?—We made our own arrangements.

6727. Perhaps you will tell us what they were?—To start with we took out a credit of about 400*l.* worth of stores of our own choosing—chosen by the canteen committee.

6728. Who was on the canteen committee?—Myself as second in command.

6729. You were chairman, I suppose?—I was chairman, and one captain, and two subalterns.

6730. You took out 400*l.* stock?—We took out about 400*l.* stock of dry goods, as a basis to start with; and when we got there we found we could deal fairly well with the local merchant, who was Messrs. Solomon and Company.

6731. You supplemented your stock?—We kept supplementing our stock from the local merchant.

6732. Now take the wet canteen?—As to the wet canteen, we put ourselves in the hands entirely of the local people—that is Messrs. Solomon and Company of St. Helena. We telegraphed out to them, before we started, that we were going, and should expect to find beer there for the men.

6733. What was the nature of the contract you made with Messrs. Solomon?—They simply provided the beer at so much a hogshead.

6734. What price did you give per hogshead?—I forget now.

6735. Do you know what price you sold it at?—We could sell men beer, and make a reasonable profit on it, at 2*d.* at glass.

6736. Did you publish your accounts?—The accounts were published monthly and brought before the Commanding Officer for signature.

6737. Did you have your canteen accounts audited?—Yes; the audit sat every quarter, I think, and the results of the audit go before the Commanding Officer.

6738. What do you do with the profits you make out of your wet canteen?—Spend them on the men.

6739. How do you spend them?—In St. Helena there were various ways for their benefit,—games, extra clothing, providing them with sun-shade hats, and all sorts of other extras.

6740. Did the men know how you spent the profits? Yes. It was published monthly in Regimental Orders

6741. How was it made known to them?—It was never published exactly to them how their profits were expended, but they knew they were getting these extra things from their funds.

6742. We have often heard that the men believe the officers are feathering their own nests in some way out of the profits of the canteen?—I do not believe our men think that for a moment.

6743. Your men have too much trust in their officers to do that?—I think so.

6744. As president of the mess committee you are unable to tell us what price you gave for the beer, and what profits you were making out of the beer?—If I had known these things were wanted, I could have brought the facts with me, but I cannot carry them in my head.

6745. When were you disembodied?—July last year. It takes a tremendous lot of the time of a regimental officer to run a canteen properly, and unless he does give a tremendous lot of time to it he is entirely in the hands of his canteen sergeant and waiters.

6746. And his canteen steward?—Yes. My opinion is that with a militia regiment it should always be done on the tenant system, that the regimental officer ought not to be called upon to take the responsibility of it. He has not the time to organise it.

6747. Why not?—The regiment only comes out for a month, and it takes the first week to get into the swing of it.

6748. The regimental officer amongst other duties has to inspect the lavatories and go through a whole lot of menial work of that kind in order to see that the well-being of his men is safeguarded?—Yes, certainly.

6749. I suppose the food they receive is the most important part?—The regimental officer should have the power of inspection and power of report, but it should be managed outside the regiment altogether.

6750. We have just had a militia officer who takes exactly the opposite view?—Very likely.

6751. But the management of the canteen is to you rather a distasteful business?—Not a bit of it. I enjoyed it, and I think I met with great success; but I had to spend a tremendous lot of time over it. In an island like St. Helena, for 18 months, there was very little else to do.

6752. And you were very glad to have the work?—Yes.

6753. Messrs. Solomon's interest, I suppose, was that as much beer should be sold as possible; they made their profits out of the wet canteen rather than out of the dry canteen?—Solomon did not run the canteen, he only supplied the beer.

6754. Therefore it was to their interest that your men should drink as much beer as possible, as the more beer you drank the greater their profit?—As far as that goes, but they had nothing to do with it.

6755. Why did you select Solomon?—There was nobody else in the island to do it.

6756. Were you, then, entirely in his hands, and did you have to give him what price he wanted?—Yes, but after I had been in the island I objected to his beer as being too strong, and wrote home and changed the firm of brewers.

6757. Whom did you employ then?—First we had Younger Brothers from Edinburgh. Afterwards we got Ind Coope and Company's beer, which was very much lighter.

6758. But you cannot recollect the price you gave to any of these traders for the beer?—I cannot remember, it was very much the same price. I think Ind Coope was a few shillings a hogshead cheaper—in fact, I know it was a little bit cheaper and a good deal lighter.

6759. It was not so expensive a beer?—Not so expensive.

6760. (Major-General Eaton.) Did any of Ind Coope's agents come to St. Helena?—No.

Adjourned to Tuesday next at 11 o'clock.

FOURTEENTH DAY.

At the War Office, Pall Mall.

Tuesday, 10th June 1902.

PRESENT:

THE RIGHT HON. EARL GREY, *President.*

Major-General the Hon. H. F. EATON.
Mr. HARWOOD, M.P.
Colonel J. A. LAMBERT.

Major L. A. M. STOPFORD, D.A.A.G.
Captain H. C. BOEHMER.

Colonel BARRINGTON FOOTE, *Secretary.*

Mr. H. R.
Pink.

10 June 1902.

Mr. HAROLD RUFUS PINK, called and examined.

6761. (*President.*) You represent the Grocers' Association?—Yes, I am one of their representatives.

6762. You are sent here to represent them; you come here at their request, not at ours?—At their request, yes.

6763. We shall be much obliged if you will tell us the reason why you wish to give evidence before the Committee?—What we understand is that the War Office have under consideration the establishment of a central store and canteen, practically affiliated on the mutual principle, throughout the whole of the districts. That is the view as to what is to be done; and what we want is to show that that is, as we think, unfair to the individual trader, and that the individual trader can do quite as well, and rather better, for the canteens established throughout the country than if they were to have a central store established in the manner that we think is contemplated. In the first place, it is much more convenient to get goods locally. The cost of carriage is very much less when a local merchant buys in quantity and is enabled to deliver to the local canteen. The local merchant is also much better acquainted with the purchase of various goods—it is his business; and we believe that, generally, the local merchant can supply the canteen on much better terms than could possibly be done from the central store. We do not want any favour; but we want an open field, so that we may be able to tender for any supplies that are required in those individual canteens, and that we may supply them direct—receive our money, and give them the very best value for the money.

6764. I assume that your first object is to benefit your shareholders?—No, sir, not our shareholders, because we are individual traders.

6765. You want to increase the trade of the grocers—quite a legitimate object?—We want to increase our trade, certainly. But we also think that we can do that trade better than it can be done from a central organisation.

6766. You think that you can promote your own interests and the interests of the soldier at the same time?—At the same time.

6767. You understand that our business is to look after the interest of the soldier and not after the interest of the grocer?—Yes, we understand that.

6768. And that that being so, we wish to secure to the soldier the possibility of getting the best article at the lowest price?—We are aware of that; but we think at the same time that if you go to the better class of traders in each district you will be better served by them than if you established your own central stores.

6769. Do you object to our establishing central stores?—No, we do not object, because everyone can do as he likes; but what we say is, we can do better for you than if you did establish central stores, because we are thoroughly acquainted with the business we can do; and we can sell at a very much lower rate, we consider, than generally could be done by persons, unacquainted with the business practically, running a central store. My father has been engaged in business

in Portsmouth for about 45 years; I have been in the business for 30 years. My father has been intimately associated with the municipality—has been mayor five times; I have been mayor once: so that we know what business is. And what we think is this—that if a number of officers were to look after business they could not possibly look after it so well as persons who are intimately acquainted with buying various classes of goods; and that alone would make a very great difference. Now we have a local Co-operative Store in Portsmouth, and yet our gross profit is less than their working expenses. If that can be done by us, and we can sell to the general public at less gross profit than the ordinary working expenses of these Co-operative Stores, surely we can do better for the canteens than if they establish a central store.

6770. Do I understand you to mean that you undersell the local Co-operative Society?—Taking value for value.

6771. I do not understand what your comparison is between working expenses and gross profits?—The working expenses of the Co-operative Stores in our district very often run to over 10 per cent.

6772. Two shillings in the £?—Yes, 2s. in the £. Our gross profits, taking the business right through, never run to that amount and they very often are as low as 8 per cent.

6773. Why not compare working expenses with working expenses, and not with a thing which is quite dissimilar, such as gross profits?—The working expenses of nearly all co-operative stores run from 10 to 15 per cent.

6774. That is from 2s. to 3s. in the £?—Yes.

6775. What are your working expenses?—Our working expenses, taking the wholesale trade and retail trade, and the wine and spirit trade —

6776. No, confine yourself, please, to the retail trade, and do not take wines and spirits, because you are perfectly well aware that the Co-operative Stores do no wine and spirit business?—The wine and spirit trade adds a good deal to the expenses, because you have to keep stores in bond.

6777. I want, you see, a comparison between similar things; so will you give us the working expenses of your general goods?—Ours work out as nearly as possible at 6 to 6½ per cent.; that includes rent, rates, taxes, and everything. It includes licenses, because we charge that practically along with the rent.

6778. I understand from you that the working expenses of running a grocer's shop—not a grocer's shop with a license for the retail sale of liquor is 6½ per cent.; and your statement is that the working expenses of a co-operative society which is doing similar business run from 10 to 15 per cent.?—Yes.

6779. What are your profits; they are very high, I suppose?—Our gross profits very seldom run to more than 8 or 9 per cent. at the outside. It is only by the large turnover that we can make our profit.

6780. Then, is there 6 per cent. for working expenses, plus 9 per cent. for profit?—No, the gross profits include the working expenses—6 per

cent. of working expenses and 3 per cent. of profit would make 9 per cent. The gross profits are the total amount of value that you receive for your goods over and above what they cost you. Out of the gross profits you have to pay the whole of the working expenses, and my contention is that in a business like ours the gross profits are very often less than the working expenses of the ordinary co-operative store, and therefore we are content, if given a fair field. Let us tender for the supplies in the same way that the unions tender for their supplies—in exactly the same way that the Prison Department and local workhouses and unions tender for their supplies. They issue forms: we tender to them, and invariably they buy their goods very much cheaper than the ordinary small grocer.

6781. If the grocer, whom you represent, is making so small a profit, by which I understand he is serving the public on better terms than other people, how do you account for the extraordinary increase in the co-operative trade, which has got a turnover of over 50,000,000*l.* a year?—That, I am rather afraid, is caused by the fear of the under-workers of his superior, because I have asked that question of people in Portsmouth who have been our customers, and who have gone to the Co-operative Store, and their reply has always been, they thought they had better deal with the Stores, because the superior in that man's department belonged to the Co-operative Store.

6782. Each Co-operative Society enjoys freedom of action and can buy from where it pleases?—That is the supposition.

6783. Evidence given to us leads us to suppose that if the goods that they sell through their Co-operative Societies are better bought from persons or companies outside the Co-operative Wholesale, there is nothing to prevent them going to Dickeson's or Lipton's or any other grocer for the goods they require?—No, the Co-operative Society can go where they like for their goods, and I believe they do so. The reason at the bottom of the co-operative success is that they give back a dividend. In Portsmouth they give back a dividend of 1*s.* 6*d.*, I believe it is, in the *£*. I do not think the Portsmouth co-operatives have done very much—not like they have in the Northern towns; still, they give back a dividend of 1*s.* 6*d.* in the *£*; and the people look upon that practically as a savings' bank, and do not look at the quality of the goods that they purchase.

6784. I understand that your contention is that you, as experts, ought to be able to supply the Army with the dry goods that they require more cheaply than an Army organisation, even though it is closely affiliated with this great co-operative movement?—That is my contention, in exactly the same way that you would naturally expect persons who are brought up to war methods would carry on a war very differently to what grocers would.

6785. An amateur can never compete against an expert, you mean?—There is no doubt about that.

6786. And you do not admit that the Working Men's Co-operative Societies have acquired the position of experts yet?—No. I know from what I have seen of the Portsmouth ones that they have not. I will give you an instance. About four or five years ago there was a dearth of caraway seeds; the only place where we could get caraway seeds happened to be the Army and Navy Co-operative Stores. My stepmother is one of the original shareholders of that place, and we asked them what they had got in caraway seeds. They supplied us with all we could get from them; I think it was about 200 or 300 cwt., and the quality of those seeds was very inferior indeed, so much so that it did us a lot of harm; we sold the seeds; they were constantly being brought back to us; and that is where I maintain that the co-operative stores do not come up to the mark.

6787. You say you got those caraway seeds from the Army and Navy?—Yes.

6788. But you must be aware that we have been talking about a very different class of co-operative society. The Army and Navy Stores that you have been referring to, are run entirely in the interests of the shareholders?—Yes, but their shareholders are supposed to be their purchasers, are they not?

6789. No?—I thought there were tickets restricted to shareholders.

6790. Anybody can get these without having a stepmother; anybody can get caraway seeds or anything they like from the Army and Navy Stores. The

Stores are run for profit; run in the interest of the shareholders. But the organisation we have been talking of up to now is run in the interest of the consumers?—A mutual society. Still, that shows that there is not the keenness in buying.

6791. If that is the only illustration you can give I do not think it helps you very far, because you have drawn your illustration from quite a wrong quarter?—Then I will give you an illustration drawn from the local Co-operative Store. Not very long ago we sent for a parcel of goods, and it was carefully worked out and judged by an independent person who did not know what the goods were. They were placed side by side with ours; and the difference worked out that it would require a sovereign spent at the Co-operative Stores to purchase the same goods that could be purchased at our premises for 16*s.* 8*d.*

6792. I do not know that that leads us very far. We have very carefully to consider the conditions under which these purchases are made; you cannot generalise from an individual instance?—No, but that shows that the goods generally are not purchased so well as an expert could purchase them.

6793. We have had other evidence, which shows that the consumer who purchases his goods through the Co-operative Society has the security that he gets an unadulterated article, and that he gets value for his money?—I do not think that that is any more than he would get if he would go to a responsible trader, because the responsible trader has his name; he has his living to earn, and if he is at all careful, he is careful to buy the best article and to sell it at a reasonable price.

6794. All I want to say is that there is not much value to be obtained by making these comparisons as to individual purchases?—No, perhaps not. What we want to say is that if the respectable trader has a fair field he can sell as well or better than any organisation, and it is much more fair to the individual trader to let him have a chance. We only want a chance. Then, if he is cut out altogether the whole nation becomes one gigantic co-operative stores, and where are the rates and taxes to come from?

6795. That is another question. The only point before this Committee is what is the interest of the soldier. How can we secure him for all time the possibility of getting the best article at the lowest price? You say, let the soldier be served by private traders, whose interest it is to look after profits for themselves, as against a system which says let us give back to the soldier all the profits that are made by supplying him with the articles he requires?—Yes.

6796. You say, theoretically, that is all right, but, practically, it is all wrong?—That is quite correct.

6797. And that an organisation of that character must necessarily be conducted by amateurs, and that an amateur cannot compete against an expert. Then the question I put to you is, may not the amateur gradually become an expert?—No, I do not think so—not with the time that you would allow him to remain, because you cannot keep a man at a business very long, or at any profession.

6798. (*Mr. Harwood.*) May not an amateur engage an expert?—If the amateur engages an expert then the wages of the expert would make up the difference at once. You might just as well go to the ordinary expert and buy your goods from him. In our place we buy large consignments from Liverpool, and we get them from Liverpool delivered into the place at about 23*s.* or 24*s.* a ton. The canteen would take a very much less quantity of goods than we should, and the carriage from their central stores instead of that would be, perhaps, twice as much, and there is a big profit in itself. If you take a small consignment, a small consignment is always charged at a bigger rate than a larger one; up to 3 cwt. they charge 5*d.* more for the parcel. All these fivepences tell up and make a sum which would come to, perhaps, more than the actual grocers' profit. We want to be able to put in tenders and supply goods of the best quality at the lowest possible price. Of course we know that an Act has been passed to do away with secret commissions.

6799. (*President.*) No, the Act has not been passed; it was introduced, but not passed?—I think it is a great pity it was not passed.

6800. Why?—Because I think that those people who do not give commissions are seriously handicapped;

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they are not allowed very often to tender for goods. In our case we never give a commission.

6801. Your experience is that an honest tradesman is seriously handicapped in his competition against an unscrupulous trader?—I believe so.

6802. The unscrupulous trader does not hesitate to offer a percentage on the sale of the articles he supplies, whereas if an honest man refuses to give such a commission he does not get the order; is not that your point?—I believe that is the position we stand in at the present time.

6803. And is that seriously felt in the grocery trade?—Yes, very seriously felt.

6804. The practice of commission offering and commission taking is very prevalent?—It is not so much a question of commission offering. In our own case we have had men come to us and ask us for a price, and practically state that they wanted a commission. One man came to me and asked that he might have our tea; he came to me personally, and he wanted that tea supplied to him at 2s., and wanted it charged at 2s. 6d. and that he should be given the 6d. Those are the sort of things which we have to fight against.

6805. The wholesale merchant was tempted?—I do not know whether he was, but we did not get the order.

6806. I can quite understand that a man, having a large number of men in his employment, and who gets a good offer provided he agrees to give a commission, might argue with himself as to whether he was not justified in giving a commission; he might say to himself, "If I do not give a commission I have to turn out of my place several hundred men, and therefore I must give a commission in order to secure the order." That man is under a great temptation to give that secret commission, and your opinion is that a law should be passed which would send to prison any man convicted of giving a secret commission?—Or of receiving it.

6807. Which is the more important?—I think the receiving is the more important.

6808. Your opinion is that the giver and receiver of a secret commission should be sent to prison, and that that would be a very great help in securing the morality of the trade?—I believe it would. We do not do any Army and Navy trade to any extent. We have supplied H.M.S. "Australia" for many years.

6809. When you say "we," may I ask whom you represent?—My firm is William Pink & Sons, of Portsmouth. I am practically the managing partner. We have never had very much Army and Navy trade because of that difficulty, that we have never given any commission.

6810. And you cannot get the canteen business for that reason?—We have never tried to get the canteens of the Army. We have supplied the canteens of the Marines at Gosport, but not lately; we used to when they were first started, and we supplied them for many years when it was under the management of an outsider. I do not think they ran the canteen themselves for some time. All the time it was in the hands of a proprietor we supplied them. We supplied the Hilsea canteen, and Mr. Leader worked that canteen for a long time as a proprietary canteen. We have done a good deal of business with the Navy in various ways, but the only canteen we have done with for some time has been on "H.M.S." Australia. As to that we felt rather aggrieved a little while ago because they gave the order to somebody else—to some other firm—without asking us even to quote a price, or anything at all about it.

6811. And your impression is that the firm which gave the highest commission received the order?—I should not like to say that, because I do not know. I do not think that was the case. I think in that case the officers decided who was to be asked to supply; but I do not think it was a case of commission there.

6812. But still you feel that the honest grocer would be in a much stronger position and able to extend his trade if the practice of secret commissions was done away with altogether?—Yes, and I feel sure that if that could be done you would be supplied better than ever you could buy yourself.

6813. (Colonel Lambert.) What is the extent of the business that you do with the Army?—Our business with the Army is very small indeed; our business is practically with private customers. We supply large numbers of officers of the Army when they become

retired and live in their private houses, but we do not do anything when they are on service, except that we supply many officers in their private houses.

6814. Can you give us any reason why certain firms quite outside any co-operative movement have such very great success in tendering for the Army and in getting the contracts?—No, I could not say that. We do not do any tendering. Tenders are sometimes sent into us from Hilsea and other places, but we have ceased sending in any quotations.

6815. Your contention, I thought, was that it would be an advantage to those whom you represent to be able to tender?—Yes.

6816. But have you not had that opportunity for some time?—We have had the option for Hilsea Hospital and for some of the military prisons; but in our case generally those tenders run for places like Dorchester and other places where it is rather inconvenient for anyone in our position to tender. Portsmouth is not a good centre to look after.

6817. So that though you and those whom you represent have had the opportunity of tendering for some considerable time now—a matter of nearly two years—you have not had any great measure of success?—It would not come under my personal knowledge that we have had any opportunity for tendering for canteens.

6818. (Mr. Harwood.) You spoke of 3 per cent. on your capital; did you mean 3 per cent. per annum?—No, the retail profits on our books show from 7½ to 9 per cent. It depends practically on the price of sugar. If the price of sugar is such that you get about ½d. a lb. profit then you can run up to 9 per cent.; but when the price of sugar or cheese or bacon is high it runs down to 7½ or 8 per cent.

6819. You say that you can undersell the Co-operative Stores, because your working expenses are less, and you gave your working expenses as 6 or 7 per cent.?—Yes.

6820. Then you told us the profits were 3 per cent. Do you mean 3 per cent. per annum on your capital or 3 per cent. on each transaction?—3 per cent. on each transaction. Each transaction costs about 6½ per cent. for the working expenses and then, added to that would be 2½ per cent. to 3 per cent. and that is your profit.

6821. How often do your books show that you turn your capital over in the course of the year?—Roughly speaking we turn our capital over, I suppose, about three times.

6822. Then it means a 9 per cent. return on your capital, roughly speaking?—It does. It does not run to 9 per cent., it runs from perhaps 8 per cent. to 9 per cent.; that is for the retail trade.

6823. You get 9 per cent. on your capital and 6 per cent. working expenses; that is 15 per cent.?—No, 9 per cent. is the total.

6824. The co-operative societies earn at most 5 per cent. on their capital, do not they? That is a condition of these co-operative societies that we have had to deal with—that they cannot return more than 5 per cent. on their capital?—

(President.) A lower percentage on their loan capital and 5 per cent. on their share capital.

6825. (Mr. Harwood.) Suppose you have a society which only pays 5 per cent. on their share capital while you pay 9 per cent. on your capital, is not there a margin of 4 per cent. to set against what you call your better management?—Then you have the better buying as well.

6826. But comparing the two, there is a difference of 4 per cent. as a set off. Then of course the question might be asked why should there be better management on the part of such a business as yours?—I do not know why there should be, but there generally is. I think you will find that a master-man looks after his staff with the idea of making more profit than a person who is connected with the company. That is where it comes in.

6827. Have you any figures to give us to show that; because your evidence is in contradiction to what has been put before us. Have you any figures to show that the cost of management is so much larger in co-operative societies than in your own business?—

We have the figures of the Portsmouth local Co-operative Society, which we look at constantly; but I have not any of the figures of the London Civil Service, but it is more.

6828. The Army and Navy, which you are now referring to, is a private business?—If you take the Portsmouth society, the Portsmouth working expenses are 10 per cent.

6829. But there you are taking the case of a small society, which, as you yourself said, was not a very successful one, and you put it forward as a guide to us for doing a large business?—Their turnover is nearly 100,000.

6830. This could not be compared with the larger societies which are really prosperous. The figure that you gave of expenses of management is quite double what I understand it to be in the north?—I think you are now going rather outside what I mean, because the expenses that I was asked about were with regard to retail stores.

6831. And I am speaking of retail stores?—Then you must add to that the cost of your distribution in your canteen. If we were going to supply you from our wholesale department, our prices then would be very different indeed from what we should charge from the retail, and the profits would be very much smaller.

6832. As I gather, the comparison which was being instituted was a comparison of the cost of management of a private business and the cost of management of a co-operative society, never mind whether it supplied a canteen or what it supplied; but if you put it in that way, I should say in the first place that a co-operative society has an advantage of 3 per cent. or 4 per cent. over you in the amount of profit it has to make; and then the question arises, does it necessarily exceed yours in expenses and management, and you say it does?—Yes.

6833. Now the only evidence you give of that is in regard to a small society in Portsmouth?—Yes.

6834. (President.) You suggest that there is more individual interest on the part of the grocer and better supervision of his staff, and that this enables him to make a larger profit?—Yes.

6835. Then I would ask, is not a large firm like Lipton's or Dickeson's, which have shops all over the country, in very much the same position in that respect as the Co-operative Societies?—If you take Messrs. Lipton's dividend last declared you will find that their dividend worked out, I think, at 8 per cent., and if you take the prices at their shops throughout the whole country you will find that where we are selling hams at 7d. they are selling them at 8d., and that shows that, although they pay 8 per cent., they must be making a bigger profit somehow or another, or their expenses must be very much larger. I maintain that their expenses are much larger, and that their prices are higher than those of people in our position.

6836. Then your argument would go against the big wholesale grocer in exactly the same way as it does against the Co-operative Society, and you would put them all upon the same footing?—I believe that the expenses of their management, directly they have a large number of branches, become at once very high.

6837. So that you are in favour of decentralisation and not of a big business; you are against big combines?—If a single man runs a big combine, and he only makes 2l. a week at each place, then if he has 200 places it is a very good thing for him; but a single man could not live upon that 2l. a week from each separate place. In our case we run three businesses. We have premises at Plymouth, at Reading, and at Southampton which we keep entirely separate from the other portion of the business; and there our expenses, considering it is a wholesale trade, are very large indeed.

6838. In your expenses account do you take into account cartage expenses?—Yes, all expenses, except that we do not charge railway carriage: that we add to the cost of the article; but all carting expenses we do, because we keep our own carts.

6839. And what do you say your distributive expenses come to?—Our distributive expenses, everything included, would be about 1s. 1½d. in the £.

6840. That is on a small business?—Our turnover is fairly large. The distributive expenses will run to about 6½ per cent.

6841. (Mr. Harwood.) That is very low?—Yes, but then my father has paid very great attention to the business himself, and I have followed and have two brothers in the business, and my son also. We do a great deal of the work ourselves. In fact I keep the whole of the bought ledger myself, and I pay every cheque away myself, so that our management expenses are very light.

6842. Do you allow yourself a salary?—No, we take that out of the profits.

6843. That makes a great difference?—It does not make much difference on our large turnover.

6844. (Major-General Eaton.) Is it the wish of your firm to compete with Dickeson and other big grocers for the supply of canteens all over the country?—We should be quite willing to compete with them. We could work with our people in London—Sydney Ord & Co. the jam people—and we could work from the central stores here.

6845. Is it your wish to supply canteens all over the country?—We should be very pleased to be able to do so.

6846. Would you wish to grow into an enormous firm?—We should be quite willing to undertake anything of that sort.

6847. Then you would be at work on the same lines as Dickeson and Lipton and those others?—Yes. But then we might be able, as we have been up to the present, to be satisfied with small profits, and we might be able to compete against them.

6848. There is no difference in principle between your firm and Dickeson?—No; except that I believe the larger you get the more expensive becomes your management. If you have to have inspectors going from one place to another, the cost of those inspectors has to be borne by the business and thus reduces your profit.

6849. You are the same sort of firm as Messrs. Dickeson, but you have it all under your own management?—We only have one branch outside the town of any size.

6850. But now you want to extend?—We should be quite willing.

6851. Your wish is to extend so as to become a Lipton or a Dickeson?—I do not know. I think we should be quite willing to undertake and to run it with wholesale prices if we had the chance; but I do not know that we should care so very much for that.

6852. (President.) You do not feel yourself in a position to compete against Messrs. Dickeson, for instance, for the supply of these Army canteens?—Not at the present time. Do you mean the whole of the canteens of the country?

6853. Take the Portsmouth canteen?—Oh yes, the Portsmouth canteen we should be quite willing to supply.

6854. How do you account for the fact that Dickeson, who does a very large trade all over the country with Army canteens, is able to extend his business, and that you are not able to get business at Portsmouth?—I am sure I do not know. I cannot account for it. All I know is that when we put in tenders for the Union, out of 30 articles we very often will get as many as 20.

6855. Is that a big turnover?—It is a big Union. They pay us very often 200l. a week.

6856. Do Messrs. Dickeson go in for that?—I do not know whether they do. Dickeson's have premises in Portsmouth, and I expect they would put in for the supplies.

6857. Do you consider it an unfair competition if a grocer gets an Army canteen as an adjunct to his town business; does the mere fact of his having the Army business enable him to compete for the civil trade with advantage?—I cannot quite understand where the advantage would come in.

6858. He gets a large trade which he does with the Army; he has to pay no rent for the buildings, and he gets certain advantages inside the barracks, and the fact that he does that canteen trade enables him to run a civil trade outside at lower cost to himself. Now do you consider that advantage which he enjoys gives him an unfair advantage as against other competing grocers for the civil trade?—If a grocer had premises in

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barracks, and no rent was charged to him, I think that would be most unfair, and it would give him an unfair advantage, because the chances are that he would make as much profit inside the canteen and save the rent, and he would be able then to undersell people outside and do a bigger trade outside.

6859. If any suspicion arose that he got too favourable a contract from the Army, the other grocers would

The witness withdrew.

Major-Gen.
C. J. B.
Burnett, C.B.

Major-General C. J. B. BURNETT, C.B., called and examined.

6860. (President.) I understand generally that you have an exceptionally close knowledge of canteen management?—I should not say that, but I have managed canteens a good deal in my time.

6861. And you have given a great deal of personal attention to their management?—I have.

6862. Both in India and in England?—Not much in India, because I have had many other things to do; but in England I did do so.

6863. You have just come from India?—I have.

6864. We have not yet had any evidence before this Committee on the management of Indian canteens. I do not know whether you feel that is a subject on which you would like to give evidence?—They are run very much on the same lines as they are at home. There is no large difference in the way they are managed. They have a canteen, issuer which it is not customary to have at home, and that is the only difference I know of.

6865. Have you the tenant system or the regimental system?—The regimental system. At the present time they are talking of introducing the contract tenant system, and the last minute I wrote on the subject before I left India was to go dead against it.

6866. Can you let us have a copy of that minute, or is it confidential?—I never keep a copy of anything I write; but I have got it in my memory very well.

6867. Will you kindly tell us the reasons why you are against the tenant system?—The reason why I am against the tenant system—the contractor system—is because I am an old-enough soldier to recollect what the tenant system was, and a more pernicious system, as worked in those days, it would be impossible in the interest of the soldier to devise. The aim and object of the contractor was naturally to make money. No man undertakes a business unless he means to make money out of it. We have not got many philanthropists knocking about who want to do what they possibly can for nothing for anybody, even the soldier, and the result was this, that the worst possible drink was supplied, and it was supplied in unlimited quantities, and the soldier was encouraged to drink it. The worst class of goods were given, prices were high and the soldier got nothing at all out of the profits.

6868. That was the old tenant system?—That was the old tenant system.

6869. Are you afraid of a revival of those evils if you go back to the tenant system?—Yes, if you introduce the contract tenant system, I am not merely afraid, but I am absolutely sure, that to a more or less extent these evils will recur.

6870. Will you kindly define to the Committee exactly what you mean by the contract tenant system?—I mean a system by which the canteen is supplied and run by a contractor.

6871. He pays rent to the regimental officer?—He pays a nominal rent, and he simply comes into the barracks and he runs the whole canteen. That is what the old system was, and which, as I understand, it is more or less under discussion to re-introduce again into the British Army. If that system is introduced even with a rebate given, which is of course only a portion of the profit made by the contractor out of the soldier, I should say it would be a step backwards. To meet the evils which every officer knew existed under the old contract tenant system the present regimental system was introduced. That system is cumbersome: it takes officers away from their duties and puts them to do work which they are not accustomed to and which they do not care about. They have got to do it whether they like it or whether they do not, they get no extra pay for it. They have all the responsibility. It also takes away men from their legitimate regimental duties, which should not be the case. But still, sir, knowing what I do about

have reason to be annoyed?—If he had a contract to supply the goods in the barracks, that would be no advantage to him except as personal profit, but if he had a proprietary canteen with a chance of making profits by supplying direct, like they do on board some of His Majesty's ships, then I think that would be unfair.

the old tenant system, and knowing what I do about the regimental system, I would far sooner see the old regimental system remain than a contract tenant system should be introduced, but I think I know of a system which will relieve officers and men of distasteful work and will benefit the soldier, and at the same time meet the wishes of the authorities.

6872. Then it is evident it is your opinion that the regimental officer, who is responsible for the well-being of his men, cannot allow the management of his canteens to be transferred from his soldiers to somebody else?—No, I quite think not.

6873. And he ought to be really responsible for the goods supplied and for the liquor supplied and for the way in which they are retailed to his soldiers?—I do not quite follow that deduction from my answer, because although I point out the evils of the tenant system and the evils of the regimental system, and though I contrast one with the other, I say I know of a system which I think will recommend itself to everybody as a sound business concern—a system by which the regimental officer will be relieved of keeping a public-house, and of running a grocer's shop, without any liking for it, without any experience of it, and without any teaching for it, and a system, too, under which the soldier will get the whole of the benefit.

6874. Will you kindly state it to the Committee, for that would seem to be the scheme we are looking for?—I have no papers by me. But to show you it is no new idea of mine, I will hand you this, which is the only paper I have to show you that I have been thinking of the scheme before.

The following paper is handed in:—

“Extract from a Report, dated September 1891, made by Colonel C. J. Burnett, A.A.G., Aldershot, to the General Officer Commanding, Aldershot, on the subject of Army Cooking and Soldiers' Messing. The officer in charge of the Army School of Cookery also makes another suggestion, which is one of great magnitude and full of advantages, viz., The Establishment of an Army Store.

“I have often thought over the matter, and though I am fully alive to the enormous profits which such an establishment would make—such profits to be returned to the soldier after payment of all expenses, I do not think the time has come yet to start it. It would be opposed tooth and nail by the civilian element, who would be prepared to lose a lot of money to upset it, and most probably they would do so unless Government would give it liberal support. If this store could be established there is no doubt but that it would be one of the very best business properties under the sun.

“The above passage was published as Appendix G. to ‘Memorandum on the Messing of the Soldier,’ issued at Aldershot by the direction of the Lieutenant-General Commanding.”

My opinions to-day are the same as to the advantages of the system, but, sir, I would withdraw what I said about the Government supporting it in so far as money is concerned. All the Society wants is the moral support of Government.

6875. I understand you are rather afraid of making the experiment, because of the civilian opposition?—I am not afraid of any civilian opposition if the Government will give it a fair trial. But you will recollect that was written in 1891, and you will understand that we were then only feeling our feet, as it were.

6876. Are you acquainted with the workmen's co-operative movement?—I am.

6877. Are you of opinion that what workmen have been able to do for themselves, soldiers ought to be

able, through their officers, to do or themselves?—I am perfectly certain they can.

6878. Then you would be in favour of running your wet canteen on co-operative principles?—And the dry canteen too—both of them—the whole institution.

6879. So that the soldier should get the full benefit of all the profits that are made?—Certainly.

6880. How do you propose to get the staff to manage these canteens?—I should propose, roughly speaking, a head committee in London, who should do all the buying. I would then have in every district a sub-committee, composed as may be thought fit—the composition being a matter of detail. The whole of the buying, except where goods can be got locally, such as beer or potatoes or things of that sort, would be purchased by your head buying house in London. They would be then sent down to the districts as they required them. The whole working of the canteens should be done under the supervision of your district and your general committee; and the only thing for which the Commanding Officer would be responsible would be the retail prices—(if necessary, he need not even have that responsibility)—and for the quality of the articles. The supervision of accounts should be done by this association, Commanding Officers having full power to see them at any time they see fit. The men employed in the canteens should be reservists and pensioners.

6881. Would you make the canteen a part of the War Office Department?—No, I would be very sorry indeed to saddle the War Minister or the Commander-in-Chief with any of the detail of management of such a store. I believe so firmly in the sound business of it that I am convinced you could go into the London market and get your money to run it without any difficulty; and the only thing that the War Minister or the Commander-in-Chief would have to do would be to have supreme supervision: to examine into the accounts or do anything he liked in that matter; but, as far as the management went, I would not trouble the Commander-in-Chief or the Secretary of State for War at all.

6882. You would have a separate organisation, into the books of which the Commander-in-Chief should have the freest possible access?—Yes, and the War Minister.

6883. But no further relationship between the War Office and this separate organisation?—No, not as far as money goes, but they should have the power of appointing anybody to the supreme committee or to district committees. However, the closer the authorities identify themselves with the scheme the better it will be for the soldier.

6884. I understand that your organisation is imposed upon the canteens from above. You have a central buying establishment in London; you have then your committees in each Army headquarters of each Army Corps?—Yes, that is right.

6885. And then a committee in each district?—Yes, in each district, and a central committee in London.

6886. And they should manage their own canteens?—Yes.

6887. Of course, the great difference between that and the co-operative movement is that they build up from below, while you are imposing a scheme from above. Do you follow the difference?—Do you mean that there is compulsion or a monopoly?

6888. Every single co-operative society is a unit of the big co-operative movement; there are 1,500 co-operative societies in the country with a registered membership of about 1,700,000. Each local unit has the fullest freedom of action as to what quarter they shall obtain their supplies from, though when advantages are equal, they naturally go to their own wholesale organisation?—Yes.

6889. Would you give the same freedom to the regimental canteen?—Undoubtedly.

6890. Then do not you think you would meet the requirements of the present situation more effectively if you endeavoured to build up an association more akin to the workmen's co-operative movement and allowed every regimental officer to know the advantages which he would obtain by trading with this Army Co-operative Society, but yet allowing him the fullest freedom to go elsewhere if he thought he could do better for his men?—But how do you propose to start the system? Do

you propose to give one or two districts to this organisation and make them work in those one or two districts, giving free option to the rest of the Army to deal where they like and how they like?

6891. What is the objection to that?—None whatever.

6892. Is it necessary to have a district; is it not possible to give each regimental officer the option as to where he will go for his goods?—I hardly follow your question. You have that very system now and it is proposed to change it.

6893. You propose to set up a district system?—Yes.

6894. By which, if I understand, what is passing through your mind, every canteen in that district should buy through the co-operative organisation?—Yes, that is what I do mean.

6895. I want to know from you, as an officer who has given a very great amount of his personal attention and thought to the consideration of this problem, whether it would be possible to build up a co-operative organisation without resorting to that district compulsion, by simply leaving each unit absolute freedom of action as to where they should go?—I think you have only to take the history of the Army at the present moment and you will realise the difficulties which an association of this sort has to contend against. I have only been home a short time, and have been 3½ years away from this sort of work, and therefore my information is not, perhaps, quite right; but when I left England there were a certain number of contractors for the Army and you had a field to choose from; but I am given to understand that now there are only two large contractors. Now can you suppose for one instant that the bigger of those, or both of them, or a combine of them, are going to lose such a trade as there is to do in the Army—a trade with, I should think, nearly half a million of profit yearly. Are they going to lose that for the want of either underselling or competing in legitimate or other ways with the association which it is proposed should be started? I do not think it is possible. I do not think it is human nature.

6896. You think that if a regimental officer has freedom to go where he pleases, the agent of these firms, or the agents of the combine, will go to him and say, "I will undertake to supply you with all these goods very much cheaper than you can get from your organisation"?—Yes, because in the majority of cases the officer, although he works hard, does not know; and therefore he is obliged to put himself into the hands of a man who has made it his business to know.

6897. His canteen steward, you mean?—Yes, or other interested party.

6898. You think that the regimental officer as a rule, owing to his want of expert knowledge is, as it were, a bit of putty in the hands of his canteen steward?—Yes.

6899. And it might be made worth the while of the canteen steward to deal with a particular firm?—Undoubtedly, and the system of giving commission is very prevalent.

6900. It has been frequently stated (and I should like to get the opinion confirmed by your testimony if you would not mind making a general statement) that there is not only the legitimate way of underselling your competitors in order to secure the trade—offering goods below cost price, and so on—but there is also the danger that we have to face of secret commissions and bribes being offered to canteen stewards in order to secure the trade?—Of course this is a matter on which it is very difficult to get legal proof, because, in the first instance, men who tell you privately will not come forward and say so publicly. They say, and naturally, "What is the good of my doing that. I have done it. I will get no good by saying it, and I am not going to give myself away." But when I was running a big canteen in England,—it was a garrison canteen—and therefore it came under me as General Officer, instead of the regimental officer, there is no doubt (because the brewer himself told me so) that a big brewer paid the men employed in this canteen.

6901. We have had it in evidence that a brewer sometimes gives 15 per cent. on the sales to the canteen steward?—I can quite understand it, and if he gets hold of a canteen where the management does not know anything about the business, he will have no reason to

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complain about his profits. But when I tackled this brewer, and told him that he had to deal with me, and convinced him that I knew how beer was made bad, and that I knew the tricks of the trade, he said directly, "General, if you will deal with me, and I can come to you whenever I like and prove to you that my beer is being unfairly dealt with, I will supply the beer at so much lower price, and I will stop paying the men."

6902. Then you got a better contract for your men?—Undoubtedly.

6903. And you made bigger profits for the benefit of the regiment?—Yes, and we did a clean business. I will give you another instance. These instances come into one's mind as one talks. When I was in Ireland in command of my regiment, when we were going to be moved to another station, an Irishman came up to my door in barracks one day and said he wanted the contract for potatoes. I said, "All right, I want them at 5d. a stone." He said, "No, Colonel, I cannot give them to you under 7d." Then I got him down to 6½d., and when I got him down to 6½d. I said, "Look here, you must understand this, that you are not dealing with the canteen steward, you are dealing with me, and I will see that the whole of the money that you get for your potatoes is put into your hands. You may do with it what you like, but it shall go into your hands. Now, what will you do it for now," and he said "5½d., Colonel."

6904. How are you to guard against that sort of thing?—I say you are to guard against it by adopting this profit-sharing co-operative principle by which the whole of the profits shall go back to the soldier, and by employing in your canteens reserve men and time-expired men—pensioners, if you can get them—and that you pay them well. At the present moment you do not pay your canteen people well.

6905. Will there not still be the same temptation on the part of the unscrupulous trader to come in and offer commissions in the hope of getting the trade?—But there is to be no trader, except your own co-operative society.

6906. Take the case of the Workmen's Co-operative Society. Such a society is not obliged to go to the wholesale, but can go to the trader outside?—Yes, can go where it likes, but they never go outside to pay a higher price for an inferior article.

6907. Would not that operate in the same way in a canteen?—No, you would pay your buyers in London good salaries and money will always command that men, for their own self-interest, will act straight.

6908. I understand you merely go so far as to say that you would compel the buyer of your regimental canteen to trade with this co-operative organisation?—You would have your own buyer in London and he would buy for this big institute which would distribute the goods as demanded. District buyers would purchase in the local markets such articles as they could get cheaper there than in the London market, or at equal rates and of good quality so as to encourage local trade.

6909. The regimental officer would be obliged to fill his canteen with goods got through this agency?—Yes, certainly, unless the agency in that district could purchase locally such things as beer, potatoes, and so on, cheaper; then, of course, he would have full liberty to do that.

6910. Then, would not the canteen steward be always coming to the regimental officer and saying "I can get goods better than from this central organisation"?—No, I think not. It would be an impossibility if the Managing Committee in London did their duty. Besides, the canteen managers would be the servants of the society and would therefore have an object in doing so.

6911. You suggest that there should be a well paid and expert organisation in London, looking carefully into the prices all over the canteens in Great Britain and Ireland, and you think that that would be a check against dishonesty?—Yes. If you take the trouble to go into any canteen, you will see, perhaps, ounces of butter put out. Put every one of those ounces of butter on the scale, and you will find for a positive fact there will scarcely be one of them which weighs an ounce, and certainly not one of them which weighs over an ounce. Then, again, you ask the man for a pound of tea, or a quarter of a pound of tea, or

butter or cheese. What does he do? He takes up a bit of paper, and puts it on the scale, and on to that he puts the tea or the butter or the sugar. Now, considering that that paper has already been paid for by the canteen, it is clear that he is selling the paper at the price of tea, sugar, or anything else you want to buy and is making an absolute clear profit out of it—a profit varying according to the thickness, size, and weight of the paper. Now you cannot expect a British officer to know about all these things. Of course he gets to know them when he is put up to them, and no man carries out the work better than he does when he is shown what to do.

6912. Then you say the British officer lacks experience, but does not lack goodwill?—He lacks experience, but for good will and hard work I know no better man.

6913. You think if we could show the British officer a better way of running his canteen than he now employs he would be only too grateful?—I am afraid of being egotistical, but one has to draw one's experience from what one knows in one's own life. Now when I was in command of a district I was rather down on the way canteens were managed in it. I had the whole of the accounts before me, and I used to see how bad some of the canteens were. But I thought, before finding fault, it was my duty to sit down and write and explain every detail how canteens should be run; where the leakages were and everything; and I issued that confidentially only, because there were things in it I did not want the public generally to see. But from that moment, directly the officers got that circular, there was no difficulty at all about running the canteens. The officers did not like it—they dislike counting coppers—but at the same time they took the thing up and they set to work, and they did the business right well.

6914. From the evidence that has been given before this Committee, it does not seem to be necessary that you should ask officers to count coppers—that if you take stock often that is an unnecessary precaution, and does not help you very far?—The coppers must be counted.

6915. The money has to be banked?—Very often the bank will not take the coppers. The coppers have to be counted, however, and changed for silver or gold, and sent down to the bank. I confess I do not see how, if any deficit occurs, you are going to check between the stock in trade and the money, unless you count the money.

6916. It is the total which is important, is it not?—Undoubtedly.

6917. (Mr. Harwood.) You say that there should be no competitor against this society—that you would practically make your canteens deal with it?—That is what I should wish to do, because I think it is such a good thing for the soldier.

6918. You also said that if you did not do it so, as a matter of self-preservation, these private firms would make it impossible for the society—that they would compete, would undersell, and would run it out?—I do think so.

6919. Supposing a society of this sort were organised and its only protection was that it had the power to compete with other competitors, which could be brought in to supply these canteens, do you think that the private traders would allow it to be a success?—No, I do not; I am perfectly certain they would not if they could in any way prevent it.

6920. Therefore we have to face the fact that in your opinion if we recommend such an organisation we must also recommend that it should have a practical monopoly either in a certain district or wherever it might be?—I do not think the word "monopoly" applies to a profit-sharing co-operative store. A monopoly is something started for the benefit of shareholders or for the benefit of a few individuals.

6921. Then I will withdraw that word, for I know it does suggest that?—The co-operative store is no monopoly, because all the profits come straight back.

6922. I will use the term "mono-trade." You think there is no chance of such an organisation as you have referred to being successful unless, within a certain region, it has practically the command of the trade?—That is so.

6923. (President.) The difficulty arises, does it not, out of the fact upon which we all seem to be agreed,

that the local management must have freedom to purchase perishables in the local market?—Undoubtedly, but under the system I advocate that freedom will exist.

6924. Then the difficulty arises, when is he to be compelled on your plan to purchase through this central organisation?—The central organisation will be responsible for all the buying. If a company officer wishes to get supplies from any particular source he will so inform the District Committee, but it is not apparent to me why, if he gets good stuff at proper rates, he should have any such wish?—If an agent can get better and cheaper goods in the locality he would naturally write to the head and say, "I can get beer or potatoes," and so on, at such and such a price and all buying would be done by the society's agents.

6925. Then would the General say that he should like the canteen steward to purchase the goods?—No, I would not have anything to do with the canteen steward. The goods should all be purchased on invoice, either to headquarters office in London or on invoice by the District Committee.

6926. You say that the canteen steward must have nothing to do with it?—Nothing whatever.

6927. The regimental officer?—No, not the regimental officer—the sub-district officer; that is to say, the branch of the head office in London. The regimental officer would have nothing whatever to say about it except that he might say, "I would like to buy from 'so and so.'" The goods would be purchased by the management of this association.

6928. (Mr. Harwood.) May not the purchases be divided into two classes: the perishable—vegetables, butter, milk, &c.—which might probably be bought better in the neighbourhood, and other goods which might be bought by the general organisation. Now, even if we grant that the option of buying perishable articles in the neighbourhood shall be in the control of the regimental officer, still you would say that the other things would have to be bought through this central organisation, or otherwise the central organisation could not succeed?—Yes; I am sure local brewers and all local traders would hail the introduction of this system with the greatest possible pleasure, because they would be much more fairly dealt with, and they would do a larger and a cleaner Army business.

6929. (President.) Now they feel under the necessity of giving commissions in order to secure canteen trade?—Yes.

6930. And you think they would be relieved from that, and so would be able to do a straight and honourable business?—Yes.

6931. (Mr. Harwood.) In regard to these perishable goods, do you say it would be better that even the trade in those goods should be done through the central organisation rather than done directly between the producer and the Commanding Officer?—Yes, through the district organisation who would submit its accounts every month to the central organisation.

6932. You recommend, then, that even those perishable things should be purchased through this organisation, because that would lead to honest dealing?—Yes; they would be bought by the district organisation, but the accounts would be submitted every month to the head office in London, and the Central Committee would look into quality.

6933. (President.) Take the case of potatoes; who buys those?—They are issued by the canteen as part of the soldiers' rations.

6934. Who purchases them in open market?—They generally take a contract for them. Sometimes they are purchased in the open market by the Commanding Officer. If he is a keen officer, and goes closely into the canteen management he sometimes purchases them in the open market himself.

6935. I do not quite see how, by your plan, you are to avoid placing men under the temptation of receiving commissions. What is the difference between the person who purchases now and the person who would purchase under your scheme?—The person who purchases now is practically the canteen steward in most instances. The purchasers under this system would be one of the managing committee of the district, or the managing committee of the head-office committee, and there would be no canteen steward in the matter.

6936. (Mr. Harwood.) Even these perishable things would pass through the central organisation?—The accounts of them would.

6937. (Major-General Eaton.) Would it not be much better if the grocery rations were issued like the meat and bread rations to the soldier, and then local contracts could be made, just as they are with regard to the meat and bread. The soldier would get his ration without being stopped his 3d.?—It is a very funny thing they are going in precisely the opposite direction in India where the groceries are at present issued by the Supply and Transport Corps, and they now want canteens to issue them. I think you would find it would entail a very great amount of work on the supply and transport, and it would necessarily cause increased office establishment, if not increased officers. One of the advantages of establishing this profit-sharing system is that you will have in each district an organised establishment which, in cases of emergency, can by adding bread and meat to its articles of supply do the whole supply of such districts, and so set free officers and men for other duties.

6938. My idea is that the soldier should have his meals issued and no stopping of 3d. a day. He now gets a certain amount of bread and vegetables; could not you extend the number of articles?—They stop 3d. a day from him, but that is specially given to the soldier as messing money. They have tried this idea for many years in India and now wish to abandon it in favour of a canteen supply.

6939. But then the canteens have to supply it?—Yes.

6940. Now if this were done by contract, would it not save all that work of the canteen?—You would save all this work to the canteen if you adopt the system I suggest, because the Commanding Officer would not be responsible for it. The officer entrusted with the work of the district, or the sub-committee entrusted with the work of the district, would do all that, and the Commanding Officer would be relieved of all responsibility except as to quality; but as to that, the Commanding Officer should have absolute authority.

6941. How would you find the capital to start the system?—The business is a sound one, and I am perfectly certain that you have only to go into London to-morrow and you will get the money you want. Then, of course, you must get your regiments interested; they must all be subscribers, and in time, as your profits went on, the wholesale profits might be devoted to clearing off the debt, and the retail profits might be left with the Commanding Officer, as at present.

6942. But that is simply taking on the business of the Mess and Canteen Co-operative Society?—You have there undoubtedly a nucleus.

6943. (Mr. Harwood.) May I ask how meat and bread are supplied?—It all depends. If you are quartered at a place like Aldershot, where you have your own butchers and bakers, your meat, or a good portion down of it, is bought alive by contract. The live beasts come down and they are killed and cut up by your Aldershot butchers. In other places where you have no such staff dead meat is supplied by contract. In the same way bread is baked at Aldershot and in other places where you have no baking staff it is supplied by contract.

6944. Who places those contracts?—They are made by districts. It used to be done up here at headquarters.

6945. I want to know whether the Commanding Officer has any control?—No, but of course he can complain as to quality.

6946. (Major-General Eaton.) I should like to know what your general idea is about the profits. Are you in favour of each regiment retaining its own profits?—Certainly, the retail profits.

6947. Would you advocate a department being formed in which all the profits of the canteen should be pooled and distributed for the benefit of the Army?—In that very minute which I wrote, and to which I alluded just now, I think I wound up by saying that I looked forward to a time when the whole of the canteen profits would be collected and would be properly distributed, and I feel certain that if that were done the soldier could have his own health resorts about the country; he could have his own homes where he could

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go to with his family when he was no longer capable of work, and he could go there with a feeling of self-respect, inasmuch as he could say, "I am not a pauper; during my service I have contributed to the maintenance of this house." In my opinion that is the ideal, but I am a Scotchman and am a little cautious, and I know that if you attempt to introduce two big things at the same time they will both come to grief. You had better take one first and then try the other. No man is more keen about this than I am; the only thing is that I should be very sorry to try it now because you would spoil two good things; but that it can be done I am as certain as I am that I am sitting in this chair, and that it will be done too, and those are things which will make the Army popular.

6948. (*The President.*) But do you suggest that the profits from the canteen should be pooled?—Yes, eventually, but do not interfere with the regiments at once. Regiments are very very conservative. But when you once get this system going and these enormous profits coming in (nearly £500,000 a year), then the men will see their way to the next step.

6949. To the ideal to which you want to work?—Yes.

6950. (*Major-General Eaton.*) What will become of the wholesale profits?—The wholesale profits would go towards paying off the money that you borrowed, and the retail profits would remain with the regiment.

6951. (*Mr. Harwood.*) How do you determine what is the wholesale profit? Is this society to distribute to canteens simply at cost price plus cost of management, or what do you mean by the wholesale profit?—The wholesale profits which are now made by the big houses in London. My view of a profit is profit after you have deducted all your working expenses.

6952. The society you contemplate is a society which exists simply for the good of the soldier; why should it pay anything except working expenses?—I do not object to that, but if you adopt that course you will never have your sanatoria or your houses for the soldier, but I am quite agreeable to that course, because it would come back to the soldier directly instead of indirectly. All I want is that the whole of the profits shall go to the soldier.

6953. Do you think it would be another recommendation of this organisation to the Commanding Officer and to the regiment if it distributed its goods cheaper than anybody else could?—So it would do, and yet show a great profit.

6954. What motive do you suggest is to be the motive for bringing into existence this organisation and the skill and attention necessary to work it successfully? You are suggesting a central committee in London, but how do you propose that that committee should be paid?—You would have to pay all your buyers, managers and barmen and all those civilians who are absolutely necessary for a business of this sort, but I think you will find many half-pay officers who would be willing to manage it for nothing except out of pocket expenses.

6955. You do?—I do.

6956. As a business man I want to look for the motive. What motive should I have in asking a man to attend a meeting once a week, to give his mind to it, to enter into the details of a large and complicated business? Do not you think it would be necessary to pay him?—When you have men like those who started the Mess and Co-operative Stores coming forward and risking a good deal to support a thing of that sort, do not you think there are other men in the Army who are equally keen and equally zealous?

6957. It is very charming to think it would be so; but my experience of companies is that no company succeeds unless those at the head of it give it close business attention. Now, can you offer a motive to men to do this, and can you expect them to do this if you do not recompense them?—They have done so already in the Mess and Co-operative Society; all that they get there is their fare up. You are, you say, a business man; but you will pardon me for saying you do not quite understand the feeling that there is between the officer and the soldier. There is that feeling which would make an officer do it. He would do anything for the men, and in the same way he would expect the men to do anything for him.

6958. That the officer would do anything for his men I can quite understand; I can see that you would get a devotion and attention which you would not get in

any other way; but do you think that would hold good where a man was asked to sit upon a board of a great buying establishment? It would be for the general good of the Army, but would it appeal to him in that personal way in which attention to your own regimental affairs appeals to you?—Yes, and I think past experience bears out my argument, but I would rather pay the directors and see this scheme carried out than not pay them and see it lost to the Army.

6959. However, you would say you could afford to pay your directors and yet make a large profit?—Undoubtedly.

6960. (*Colonel Lambert.*) You are familiar with the working of the Canteen and Mess Co-operative?—Yes, I know how they work pretty well.

6961. The proposed scheme which you have foreshadowed would run on similar lines, but with the goodwill of the powers that be?—Undoubtedly it would run in very much the same manner—in fact, in exactly the same manner.

6962. Suppose you had a director-general of military institutions, and that you put him, assisted by a deputy, at the headquarters of each of the Army Corps, and a divisional inspector of canteens, do you think that the smaller people, the people at the headquarters of the Army Corps, the divisional inspectors of canteens, and so on, would require to be paid?—I think your inspectors must be paid, as also the whole of your working staff, and paid well and much better than at present. Undoubtedly where you come to men who, no doubt, are to be bought over—to men who are not above taking a bit here and a bit there—you must pay them, so that you will be absolutely certain that they will do their work straight; so that the position shall be good enough to keep, and they will not run any risk of losing it.

6963. Have you ever thought out any way by which these divisional inspectors, and those people who would be immediately in charge of the canteen in each division, would be paid? Would they be paid from the wholesale profits?—I should say they would be paid from the retail profits: each canteen would be self-supporting; each canteen would pay its own staff.

6964. You would make a charge on the retail profits to pay the divisional inspector of canteens?—Yes, but as the management of all canteens would be in the hands of the society they would be managed and paid for on trade lines.

6965. You are in favour of relieving the regimental officer of his labours of counting coppers, for instance?—Yes, undoubtedly, if it is done without entailing loss on the soldier.

6966. And also you are in favour of letting the soldier be a soldier, without being a potman?—Yes, undoubtedly.

6967. Your plan means a pensioner establishment?—A reservist and pensioner establishment.

6968. And a corollary of that seems to be that you would favour fixed canteens—you would not have an officer carrying his canteen about?—No, certainly not. I would have fixed canteens.

6969. Do you prefer double or single canteens?—I have worked both, and there is no doubt that you can return larger profits and do the thing better with a double canteen than you can with a single canteen—for this reason, that you have a larger number of men to supply, and the larger the number the greater the profit, and you have a smaller establishment, in comparison, to do the work.

6970. You, on the whole, then, are rather in favour of the double canteen?—Yes, the double canteen.

6971. You do not think it lessens the individual officer's interest in the canteen?—Undoubtedly it does, sometimes. There is no doubt that you are always perfectly certain to find that on a canteen committee there is one strong man, and he may belong to one regiment and the weak man to another; so the canteen will be run by one regiment really, although it is a double canteen and should be run by both.

6972. Pooling the profits of all the canteens for the benefit of the soldier is a counsel of perfection; but, short of that, do you think it would be possible in the interests of the Service and of willing work to attach the profit which now goes to the Commanding Officer,

and which he distributes more or less, for the benefit of his men; do you follow me?—Scarcely.

6973. The profits now under the tenant system are practically, though not entirely, handed to the Commanding Officer; the percentages are paid into his hands?—Yes.

6974. And he, as practically trustee for the men's money, distributes the profits to the best of his ability?—Undoubtedly.

6975. Do you think the Commanding Officer should continue to receive these profits, or would there be any objection, in your opinion, to some charge being made on them by the Commanding Officer, say, for improving buildings or improved accommodation?—I would not allow the Commanding Officer to do anything of the sort.

6976. You would leave the profits in his hands?—Yes, to be expended under existing regulations.

6977. Supposing I were serving in your district and you said that 800*l.* ought to be spent in these barracks; it cannot be got from the Government, but it would be a very great advantage; would there be in your opinion any objection to charging the profits to a limited extent in order to pay interest on the necessary capital?—Personally as a General Officer I should go on appealing to Government till I got it. That is what I should do. I should not think it right to take the men's profit in order to put up a permanent building which was going to last for any number of years, and which, in my opinion, the soldier should not be responsible for, but the Government should be.

6978. You think it is absolutely the duty of the Government, and I think it is absolutely the duty of the Government?—Yes.

6979. There has been some very strong evidence before the Committee about taprooms in contradistinction to a drinking bar; can anything be done towards bettering the conditions of retailing beer?—No, but you can give the soldier gingerbeer and make as much profit as you can out of beer.

6980. Would you continue taprooms, or do you think they are not necessary?—You mean to ask whether I should knock the taproom on the head?

6981. Would you let the soldier have a long stand-up bar sufficient for any rush of men, but before you take the taproom away giving him improved accommodation in the way of library, supper-room, and so on?—I am not sure that I know what you mean by the taproom. By the taproom I mean the room where he absolutely goes and draws the beer.

6982. I mean the room where they go and sit?—It is the habit of our soldiers to go and sit down and take a drink, and as long as the man does not over-drink himself I think I would give the man who goes to the canteen every comfort. I do not think you gain anything by going against what we know to be the habits and customs of our soldiers. If you do he goes outside, with the result that he pays more and no one knows what he drinks.

6983. Are you in favour of men who choose to do so getting beer with their dinners?—Yes, if you could get them to drink it, but I have tried many times and never succeeded yet.

6984. They do not care about it?—Of course I only speak from my own personal experience. I have tried many many times to do it and have never succeeded yet.

6985. And with their suppers?—Yes, they will drink it with their suppers, and I think they ought to have it.

6986. (*Mr. Harwood.*) Why will not they take it with their dinners?—I do not know; it is a very extraordinary thing. I tried it when I was commanding in Madras, but did not succeed. A youngster told me he could do it. I said, "My boy, if you can do it you will be conferring the greatest benefit on your regiment, and you will be licking me into a cocked hat, for I have not succeeded." He was very popular in his company, and he got the men to stick to it for a month, but then they gave it up. He wrote to me and said "I cannot get it done." Then a still more extraordinary thing is that the infantry soldier nearly always drinks before dinner, and the cavalry soldier drinks after.

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6987. (*Major-General Eaton.*) The committee has taken a good deal of evidence about the better management of sergeants' messes. What have you to say as to that?—When I commanded a battalion I always put the Queen's regulations in front of them, and I said, "Her Majesty the Queen wishes your mess to be on the same standing as an officer's mess, and I expect you will run it as such"; but they do not run it as such, there is no doubt about that. The sergeant goes into the mess avowedly—there is no secret about it—in the infantry to make a forage cap, and in the cavalry to make a whip. I do not see how you are going to interfere with the non-commissioned officers. I have tried it many times: sat down at a table and talked it out with them.

6988. In their interest are there no means that we can devise or suggest for preventing weak caterers from getting into trouble, or dishonest ones practically robbing their neighbours in the sergeants' mess?—I am afraid that the robbery, if it is fair to call it such, is connived at by everybody in the mess; they all take their turns.

6989. Would there be any objection to treating a sergeants' mess in its entirety as was suggested by you to your regiment when you commanded it—that is, have the accounts kept as in an officers' mess, and have no cash payments at all?—There is always this danger. Their ideas do not run in the same groove as ours do, and if you had the accounts kept as in an officers' mess—that a man comes in and calls for what he likes and it is put down in a book—I think you would find that towards the end of the month you would have more liquor drunk than you anticipated; and, in the case of married non-commissioned officers, you would find a wife coming up to the orderly room and saying her husband had not brought home any money at all.

6990. Can you make any suggestion to the Committee for the better management of the sergeants' mess?—I do not see how you are to revolutionize an establishment that will not be revolutionized. You see the differences are very great. Every single individual receives exactly the same amount; it is certainly all pooled. You go into the sergeants' mess to-day; you stay in your month; you come out. I go in to-morrow and I come out; if I am a cute chap, I come out with exactly the same amount that you have got. It should be stopped, of course, but it would be very unpopular and very detrimental to the interest of the Army to try it at the present moment.

6991. (*President.*) You have to allow an improved standard to grow up among them?—It is a matter of education and growth. I have known non-commissioned officers who would not go into the sergeants' mess, whom nothing would induce to go into it, whom nothing could induce to become canteen steward. I have spoken to these men at a time when I did not know as much as I do now. I have said "It is a good thing for you, perhaps you want a little rest and you get extra pay"; and the man has said "No, Captain, it is dirty work." I did not know what he meant then, but I do now.

6992. Each man has an opportunity of feathering his own nest with the full knowledge and connivance of his tenants whom he is representing?—Yes.

6993. And so long as each man has a turn they do not mind?—They do not mind.

6994. It has come before us in evidence that the Commanding Officer does not allow the weak man to go in as caterer?—That does not prevent his getting his share.

6995. Every man has his turn?—Every man has his turn, and if a man does not get his turn he says, "If you do not give me a bit out of this I will blow on the whole concern." He does not do the work but he gets just about the same profit.

6996. (*Mr. Harwood.*) How is that profit made at a sergeants' mess?—It is made out of the service in the bar.

6997. It is not made out of the rations or food?—No. When a barrel of beer is brought into a canteen, if the people who receive it see that it is properly filled up to the bung, it holds more than it is invoiced at; there is a profit at once. Then, if the contract is a proper contract the agreement with the brewer is that all ullage is returned, and is given back again as good beer. Then again, when a man comes in after parade, hungry and thirsty, he will take short measure

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perhaps. Then again, if a sergeant comes in and says, "I want a pint of mild and bitter," and the bitter costs 5d. and the mild 3d., he gets a jolly good lot of the 3d. and very little of the 5d. Then again, in sending back the barrel with the ullage, water may be added.

6998. (*President.*) What percentage of unascertained profits do you insist upon?—That is a most difficult problem. I have had as high as 22 per cent. and 23 per cent., but I do not believe that was fair. I believe the soldier was done for that.

6999. Does the canteen steward water the beer?—No, I do not think they water the beer, but I do not say that the canteen steward does not water the ullage going back to the brewer, because brewers have complained to me that they were getting back very weak ullage. I should think about 12 per cent. to 15 per cent. is about fair.

7000. If you do not get 15 per cent., the conclusion is that the man is not acting fair?—No, I should not say that, but you ought to get 12 per cent. If the regiment has done no hard work—if there has been no rush on the canteen—then men are pretty cute.

7001. They insist upon having full measure then?—Yes.

7002. They blow off the froth so as to get the liquid to the top of the glass?—Yes. One of the ways in which unaccountable profits are made in the canteen is that the froth is put into a place where it can run down into a barrel.

7003. The froth goes down into a waste barrel; but does that amount to any appreciable quantity?—Yes, you would be absolutely astonished at the amount, if the barmen are at all careful and know what they are doing.

7004. If you were to run a public-house you would say that unless your barman shows you, say, 10 per cent. of unascertained profits, the thing was not straight?—Undoubtedly, he would not be quite straight or he might be careless.

7005. You have observed that we cannot run counter to established habits?—It is very hard to do so.

7006. But it has come before us in the evidence that has been submitted before the Committee that we have to deal with an army of boys under the short service system, and that the recruits who come into the Army are, as a rule, non drinkers—that they have not learned how to drink beer?—That is quite true.

7007. Now, the question arises whether our present system does not teach habits to the soldier which we should all be very glad to prevent him from acquiring?—That is so. What I say is that as long as you have a contract tenant system—that is to say, if your canteens are run by an outside contractor—so long you will have your men taught to drink, because it is a well-known fact that the chief profits of the canteen comes from drink; and if the man has not the money to drink, or does not care to drink, you may depend upon it that some means will be taken to try to persuade them to drink by those interested in the matter; but, on the other hand, if you have a profit-sharing co-operative system, it will not be to the interest of anybody to make a man drink.

7008. Have you ever considered the question that the greater the profit from your wet canteen the more money there will be to divide for regimental purposes?—Yes. But I do not think any Commanding Officer would wish that. Every Commanding Officer that I have ever spoken to has always tried to discourage drink in every way he can. He has felt that if the men will have drink he will make his canteen as comfortable as he can, and give them good and wholesome drink in order that they may get good liquor and that then they may drink it under supervision, the profit made coming back to the battalion. That is recognised, but I have never known a Commanding Officer in the whole course of my service who has ever deliberately set to work to increase the profits by encouraging the men to drink.

7009. Going back to the young soldier who comes into the Army; it is admitted by you that under present conditions it is made too easy for him to learn to become a drinker. Do you think there would be any objection to our regarding the young recruit as practically in a boys' school, and putting him under more severe discipline than he is at present put as regards facility for drinking?—I think if you did that you would make him worse than he was before. When

we were boys at school, and were prohibited from smoking, we all smoked. I know it made me sick. I smoked because I thought it a grand thing to do, and because I was forbidden to do it.

7010. At present the position is, that the wet canteen in many barracks is the only place for the young soldier to go to?—In some it may be, but in most barracks he has the coffee-bar and reading-room.

7011. I suppose, therefore, you would contend that our first duty is to supply him with a counter attraction?—Yes.

7012. So that he can obtain all the recreation and sociability he requires without being obliged to go into the canteen?—Yes, I do. I say the less drink you have in the Army the better. I am the strongest believer of that.

7013. And it was with a view to furnishing these counter-attractions that Colonel Lambert put the question to you whether it would not be a wise arrangement to put a certain percentage of the profits realised by the wet canteen into the hands of some authority which has a permanent interest in the barracks. A regimental officer of course comes in one day and goes out the next. He has no permanent interest in the arrangement of the barracks, but there are other authorities who have a permanent interest in those barracks meeting all the requirements of the young soldier. Now would it not be a good plan if a certain percentage of the profits made by the wet canteen were handed over to this authority?—Surely, sir, the authority who has the greatest possible interest in the soldier's welfare is the country, represented by the Government, and do you think it is right to take money away from the soldier for the purpose of permanent improvements?

7014. You say you will go on bombarding the Government until you have broken down the walls of their fortifications; but suppose your artillery is not strong enough, and that you cannot persuade the Government?—Then I should be very sorry for the Government and more sorry for the soldier; but if you build on these lines—that you only pay a certain percentage of it, and that the regiment coming in after you takes it over at a certain valuation with a depreciation, then I should not very much object.

7015. Would you approve of that?—I do not think, myself, the principle is sound in any way, but at the same time rather than the soldier should suffer I would consent to it.

7016. (*Mr. Harwood.*) What is the present custom in the Army as to the disposal of the profits which are made? Is it customary to have an account rendered as to their disposal?—It is clearly laid down in all canteen regulations as to what you are to spend the money on and what you are not allowed to spend it on. It should all be spent for the benefit of the soldier, either in improving his messing or in games, or things of that sort.

7017. When you were Commanding Officer did you keep an account?—Yes.

7018. To whom did you send it?—To the General Officer Commanding the District. I always put up a copy of this account in the canteen so that the men could see it.

7019. It is not your experience that it is the habit in the Army to use any portion of that sum for capital improvements?—Not as a rule, I have known it done.

7020. Can it be so used according to the regulations?—No, it cannot be used according to the regulations without the consent of the General Officer Commanding the District, or, may be, higher authority.

7021. (*Colonel Lambert.*) With the system of short service that is now coming in of course there will be an enormous number of young fellows passing through the Army?—Yes.

7022. Can you, with your experience, see any objection to limiting the hours that the canteen is open in barracks, or making it part of the regulations that it should be closed during working hours?—You do not open the canteen now till 12 o'clock. You shut it again at one, and you open it again at three.

7023. I mean, do you see any objection to keeping the canteen closed, except at the dinner hour, till the day's work is done?—If you want to teach those boys not to drink I do not see why you should not have in your

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canteen barrelled gingerbeer and other non-intoxicating drinks of that sort. I had a regiment under my command and I found out that a number of men never took a drop, and I then got in some gingerbeer and sold it to the men, and I made just as much profit out of the gingerbeer as out of the beer. I got it very cheap and I sold it very cheap; it was good stuff. I think that is the way to do it, and then there is no compulsion. If the ginger beer is sold in the canteen a man has no fear of being called a molly coddle, and he drinks either his beer or his gingerbeer as he prefers, it all being sold at the same shop. I think that is the way to work with these young soldiers. Closing the canteen too long will drive the men into the town for a certainty, and this, in the interest of the soldier, is to be deprecated.

7024. (Mr. Harwood.) Is it customary to sell in a canteen non-intoxicating drinks?—All minerals are sold very very cheap. They are sold at cost price and the man who is drinking the beer pays for them and other men do not like to take advantage of this. If you have gingerbeer in barrels the soldiers would come in and drink that.

7025. (President.) Has it come within your experience that parents are very much opposed to their boys going into the Army, because they are afraid of the boy being taught drinking habits?—Yes, I have met that experience and I have also met with the very opposite experience. Only the other day at Nuggar I was at a temperance meeting and a man was pointed out to me who joined the Army an absolute drunkard; then he took the pledge, but it took him five years to convince his parents that he had not touched a drop of liquor from a certain date. The man told me that himself. On the other hand many men take to drink, no doubt, but it is by no means clear to me that they would not equally have taken to it had they remained in civil life and had the same amount of money to spend.

7026. Are you not of opinion that if you could reform the canteen habits of the young soldier we should have a better class of men coming into the Army?—I doubt it very much; I should like to think so, but I cannot see it.

The witness withdrew.

Sir JOHN JACKSON, called and examined.

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7035. (President.) We are most anxious to obtain from you some information as to the regulations you make as to the supply of beer in the wet canteen, which I understand you provide for the benefit of your workmen. Will you kindly tell the Committee the nature of your arrangements?—The canteen is at the Admiralty Dock Extension Works at Keyham, Devonport. The contractors who run the canteen pay the firm 5 per cent. of their gross takings—which the firm pays to its charity fund—a fund which I dispose of as I think best in the way of charity in connection with the works. As regards the sale of beer the canteen contractors come under special rules which we make from time to time, which at present, however, is practically only one, namely, that a man can only be supplied with one pint of beer at one sitting, and he can have three sittings during the day, so that the limit is three pints during the day.

7036. And is that beer taken with meals?—The canteen is open at breakfast time, dinner time, and supper time.

7037. How many men frequent this canteen?—I should say 25 per cent. of the men. We have on that work about 3,000 men, and I should say about 600 or 700, or perhaps 800, make use of the canteen.

7038. So that it really represents a large regiment?—Yes.

7039. Do you find that the regulation is a practicable one?—The canteen was opened in July 1897, and throughout the whole of the time it has given every satisfaction. One of the conditions with the canteen contractor in the first instance was that his local manager should be discharged forthwith in the event of anyone being found intoxicated in or about the canteen. So far as it has come to my knowledge we have only had three cases of intoxication during five years. One was the case of a Norwegian sailor who got into the canteen, and, as whiskey was found in a bottle in his pocket, the assumption was he had not

7027. (Mr. Harwood.) Is a better class of man coming in than used to come in when you were younger?—Yes, undoubtedly, better educated and more intelligent in every way.

7028. (President.) Does he drink as much?—Nothing like as much.

7029. The habits as to drinking are slowly improving?—Undoubtedly.

7030. But you think we could stimulate the rate of improvement?—Yes, if you adopt a system of canteen supply, where it is no one's interest to encourage drink.

7031. (Mr. Harwood.) Is there more drinking among the soldiers in India or in England?—I should think more in India, but there is no doubt there is a steady improvement.

7032. (President.) If this co-operative society were established, you might give every facility to the soldier to bank his savings in it?—Yes.

7033. (Colonel Lambert.) There has been a great deal of evidence before the Committee that the young soldier, during his first two years, is a good eater, but a bad drinker?—That is quite true, but it is not the case with all young men.

7034. And that after two years he becomes a drinker. Now we should like to hear if, in your opinion, there are any means of preventing that change taking place?—I would make the canteen a regular place for the sale of beer, gingerbeer and mineral waters, &c., and let the men take their choice, but I do not really think that the Army compares unfavourably with civil life for drinkers. I think we are in that respect equal, as a profession, to any other profession of the sort under the sun, but there is no doubt that if you look at the canteen accounts of a young regiment, you will find that the drink is very little, while the coffee shops take a good deal. If you take an old regiment you will find it is absolutely the reverse—the drink is a good lot and the coffee shop is very small. However, the advantages of education are daily becoming more apparent, and it is to this you must look for the encouragement of habits of thrift and temperance.

got drunk on beer. We have had two cases of intoxication apart from that of the Norwegian sailor.

7040. Who buys the beer for your canteen?—The beer is bought by the contractor.

7041. Then he is interested, therefore, in selling as much beer as possible?—He is interested in selling as much beer as possible.

7042. Yet you limit him by this rule?—We limit him by this rule.

7043. How do you see that this rule is carried out?—Of course different members of the staff go through the canteen and we take the best notes we can. We cannot, of course, be quite certain that the rule is always strictly adhered to, but what we do find is that we do not get any intoxication among the men.

7044. Is the rule popular with your workmen?—The canteen is popular with the men who are not teetotalers. Many of the men who are teetotalers speak ill of the canteen.

7045. Can a man get his pint of beer at any time in the day?—Only when the canteen is open.

7046. Is it possible that the manager can remember which of the men have had two pints and three pints?—Some of our timekeepers have charge of 800 men and those timekeepers know nearly all the men that come in their offices.

7047. But it must be very difficult to know whether A. has had two glasses and C. three?—Yes, it must be; but that is the rule, and we find the result satisfactory. I have no doubt occasionally a man may get more than his three pints.

7048. It is the interest of the contractor, who is the manager of the canteen, to push the sale of beer as much as possible?—Clearly.

7049. (Mr. Harwood.) How long is it open?—At breakfast time it is open three-quarters of an hour. At

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dinner time it is open for an hour, and it is open for three-quarters of an hour in the evening.

7050. (*President.*) Do you provide eatables at the canteen?—Yes, they can have dinners, or teas, or suppers.

7051. You do not limit the consumption of beer to meal times?—Yes, and you see, the canteen is only open at meal times.

7052. But a man is not obliged to have food to eat?—No; he can have beer without food; or he can have food without beer.

7053. Do you know is it a rule that they take beer with their food?—A certain number of the men take beer with their food. I should think that quite half of the men who go to the canteen at meal times do not take beer.

7054. What proportion of the men take their beer between meals?—Not many. Beer is mostly taken at meal times. The canteen is only open when a meal is going on—at breakfast time in the morning, then at dinner-time for an hour, and, I think, three-quarters of an hour, from a quarter past five to six o'clock, the time when the day shift changes for the night shift, and the night men have a supper time at, I think, it is, half-past ten for three-quarters of an hour.

7055. What do the men do when they are not in the canteen?—Some of the men take their meals about

their works. They go into the sheds, and, of course, others go home.

7056. Are there any attractions for them? Are there any public-houses outside?—Oh, any number. What we found at first was, particularly at dinner time, the men went out of the works, and instead of all coming back after dinner we, as a rule, only got about 95 per cent. back, and we found that a great proportion of those who did not return were the men who went into the little public-houses outside the works. There are a great many small public-houses there where, of course, they were encouraged to drink.

7057. (*Major General Eaton.*) Is the beer sold cheaper inside than it is out?—I think it is sold at about two-thirds of the price. I think a man at the canteen pays 1½d. a pint, and outside he pays 2½d. a pint.

7058. Is it served in glasses or pewter pots?—I am not quite certain, but I think partly in pewter pots and partly in glasses.

7059. There is no measure larger than a pint?—No, there is no measure larger than a pint. Prior to starting that canteen we had been against having beer on the works, but I am certain that we get less intoxication by having beer sold under limitations than we did before, when they just had to go to the public-houses.

Adjourned.

FIFTEENTH DAY.

At the War Office, Pall Mall.

Thursday, August 7th, 1902.

PRESENT:

LORD GREY, *President.*

Major-General Lord CHEYLESMORE.
Colonel LAMBERT.

Captain F. C. BOEHMER.
Mr. HARWOOD.

Colonel F. O. BARRINGTON FOOTE, *Secretary.*

Major-General MILD MAY WILLSON, C.B., examined.

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M. Willson,
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7061. (*President.*) We are enquiring into the system of management of Regimental Institutes, and would like to have your opinion as to the method of management that should be adopted. In the first place we would like to know whether you think the Regimental system is the best, or whether the institutes should be managed by some central establishment?—I think they ought to be managed by some central establishment, and that there should be a regimental committee to examine complaints, and see that any articles complained of are kept up to the proper standard.

7062. With a view of obtaining the best profits for the soldier?—Quite so.

7063. In your experience, do you think that under the system of tenant-management the soldier does not get full value?—Under the old system of tenant-management, he did not. What I should like would be to have some central authority under the control of the Government to see that all supplies are the best procurable at the price. I may say, with regard to the canteen system, that when I first started I took a great deal of interest in the matter, and I found, on enquiring into prices, that they were the same then, and had continued the same, ever since the Crimean War. This was in 1870. When I suggested that certain prices were excessive, and that supplies could be obtained more cheaply, I was told that there were no complaints, and that everything had gone on smoothly and was satisfactory. I was only a junior in those days, and I do not think many people cared how the canteens were carried on so long as there were no complaints and everything went on smoothly.

7064. Matters were therefore allowed to remain unchanged?—Yes, they were allowed to slide. When I became more senior I still took great interest in the subject, and found that the supplies that were received into the canteen were of very inferior quality. In fact, there was hardly a firm of repute that supplied us with anything. Most of those that supplied us were very second-class tradesmen. On making inquiries I found that the reason why good firms would not deal with us was that there was so much corruption and jobbery. They were expected to pay for a number of things—for recreations, for sports, and to fee everybody. The question then was, how to get the best supplies for the canteens. I soon began to know what was good and what was bad, and as long as I was there myself, although there was a great deal of friction and opposition, I could get the best supplies, but always found that the moment I went away inferior supplies were again sent in. I must say there was on the part of my fellow officers not only a certain amount of apathy, but also a great deal of ignorance. If they were shown samples they did not know whether they were good, bad, or indifferent. The prices asked by these firms were fair prices, but almost every sample had to be inspected carefully, because they expected to make their profit by sending in inferior goods. As long as I was there myself I could, of course, ensure the goods being of the right quality.

7065. There was practically collusion between the canteen steward and the contractor, by means of which the latter was allowed to send in inferior supplies in order to make a profit?—Yes.

7066. Did the canteen steward receive a commission?—No doubt. In fact, when I first joined old sergeants in my regiment were always put in charge of the canteen for six months before they left the Army, because it was understood that they always made from 60*l.* to 70*l.* in that time.

7067. In what way can this state of things be remedied?—When I found the great difficulty that was caused by the ignorance and apathy of the officers told off to look after the canteens, I saw that the only remedy was to deal with a firm from whom one could be perfectly certain of getting full value for the money. Major Crawford, of the Grenadier Guards, found out a place called the "Wholesale Co-operative," and we went to them and asked whether they would supply goods to the canteens. They said they could not supply goods direct to the canteens, it must be done through some society. Major Crawford and a number of his friends then combined, and registered themselves as a canteen co-operative society. The canteens then passed their requisitions through the society to the Wholesale, and the Wholesale passed the goods straight to the canteens. I am quite sure that by this means you get the best value, and knock on the head collusion between the tradesmen and the canteen managers. This is how the canteen co-operative system started in the Army, and when I left it was working very well. I was one of the original members. When we started we were obliged to get a certain amount of money from outside for working capital. We quite recognised that there were surplus profits, and my idea was that we should give a pro rata return to each of the regiments, half of this being paid down in cash and the other half given in shares; and that the money realised from the shares should be employed in paying off all outside creditors, so that in a short time all the money in the concern would belong to the regiments that dealt with the society. The only difficulty we found was that though we did return a certain amount of money, we did not return the shares, because the concern went on increasing so much that this money had to be spent on enlarging the society's buildings and premises.

7068. In fact the whole object was to secure for the soldier the benefits previously received by the contractor?—Absolutely. The object was to get the society into the hands of the soldiers. In a very few years all outside money would have been paid off, and the profits in every shape and form would have gone back to the men.

7069. An objection might have been raised to the system that you were mulcting the existing soldier in order that an advantage might be ultimately secured by the whole Army?—There is no doubt that there was that drawback.

7070. That made the soldiers opposed to it?—It was rather hard on them?—It was hard in this way, that the money really belonged to them, but under the old system they would never have received it in any way.

7071. But you would be in favour of a system that would obtain these benefits without mulcting the soldier?—My opinion is that this principle should be recognised by the Government, and not merely that a Government Inspector should go round to the canteens. The contractor might have good as well as bad samples in those places, and it is almost impossible for an inspector to see everything. I should like to see the Government Inspector at the supply depôt when the goods are despatched, to see that they were the best quality for the money paid.

7072. Where should this inspection take place?—At the central depôt.

7073. You mean a system of inspection which would make it necessary for all articles to have been inspected when they are first received?—Yes. The goods come into the central depôt in bulk, and what the inspector would have to do would be to go down there and test a few of the packages, whichever he liked, and see they were of the right quality and worth the money.

7074. If the canteens were supplied from a central association the inspection could take place there?—Yes, because I think the inspector would be able to see the goods before they went out, and it would not be possible to have two or three different qualities in the store unless there was a demand for a cheaper article.

7075. (Lord Cheylesmore.) You could not do that with one inspector? If the goods are to be inspected at the place of issue there must be a number of inspectors?—

I do not think more inspectors would be required. The goods, when sent in in large quantities might be passed as being equal to the sample, and have the inspector's stamp branded on them, and then go down to the canteen. There would be no further inspection after they had been inspected in London.

7076. The difficulty would be that if goods were defective when received in the canteens the only redress to be obtained would be to be told they had been properly inspected, and must therefore be all right?—Yes, but in a case like that the issuer would go down and see whether they were the same goods that he sent on. I take it, if you have a society like that, you do not want to make a profit, but only to pay expenses. There is therefore no object in selling inferior articles, or replacing good articles by inferior ones. The whole object is to give the soldier the best value you can for his money.

7077. But you must make a profit in order to pay the shareholder?—Yes. Everything comes in at a certain price; and a certain percentage is put on it. Experience shows what this percentage should be. There are also certain charges for carriage and other expenses. At the end, perhaps every six months, I should have the accounts made up under Government supervision, and any surplus, after paying the 5 per cent. which the capital is entitled to, should be available to go back to the men. If the Government choose to provide the money to buy the shareholders out, only 3 per cent. would be paid on the capital instead of 5 per cent., and the whole thing might come under a sort of Government department. The whole of the machinery is going now, and all that is required is to take it over.

7078. You then advocate taking over the mess and canteen?—Yes, or something similar, and I would advocate the dispensing with outside help.

7079. (Colonel Lambert.) The Committee are of opinion that the system on which the sergeants' messes are managed frequently leaves very much to be desired, that is the system of putting in a caterer, which leads to a certain amount of temptation. Have you thought of any way of improving the system under which these messes are managed?—The great difficulty in former days was that they were not managed on a ready-money system, but on a credit system. To control this, in my serjeant's mess I introduced the "locked till," and at the end of the month, instead of the sergeant having no profit at all, he used to make 30*l.* a month, and the caterer could not appropriate any money.

7080. You found the "locked till" most satisfactory?—It is the only way in which the mess can be properly managed.

7081. No system of keeping accounts, putting figures down, would be satisfactory?—It is absolutely unsatisfactory, in my opinion the figures can always be falsified. I think there is no doubt that in former days the men got too much drink. It was a system of leaving payment to the end of the month, and I looked upon that as the worst system that could exist, because a man knew he had a month to pay off, and there is no doubt that he could drink a great deal more than he had money for at the commencement of the month. The moment you had to pay on the spot, and the money went into the locked till, the man could only have as much drink as he could pay for. If he had more drink than he wanted, and went to the other sergeants, they would say "you have had quite enough," and would not lend him anything.

7082. (Mr. Harwood.) Is it customary to give credit?—It never was in the ordinary canteen, but the sergeants' messes used to be run on a credit system.

7083. (Lord Cheylesmore.) It is against regulations to give credit?—Quite so, but it used to be done.

(Mr. Harwood.) One of the fundamental principles of the co-operative system is "no credit." That has done more for the people in my neighbourhood than all the rest of the co-operative system. Therefore associated with this system we must have the principle of "no credit."

(Lord Cheylesmore.) We have had suggestions in evidence that the sergeants' messes should be managed like the officers; that is practically on a system of credit. I think that is entirely wrong.

(Major-General Willson.) Unless you have some system of ready-money payments you will find that the credit system will always exist.

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7084. (*Mr. Harwood.*) I understood you to say that under the plan of managing canteens, that you suggested, the soldier, though mulcted for the present, is better off than he had been before, when he got nothing?—Quite so. In so far as he would be finding some of the capital for a central dépôt for the benefit of the regiment.

7085. (*Captain Boehmer.*) You spoke very strongly of the importance of having a Government inspector to examine the goods that go out from the central office. Would you have a military officer as inspector, or an expert in the trade?—If you could get a thoroughly reliable expert, I think he would be almost better than an officer. I should be rather in favour of having an officer, however, because some of the Army Service Corps officers are experts to a great extent, and I think you can rely on these officers, as a rule, more than you can on civilians.

7086. What I mean is, there are expert grocers, for instance. Take the head of the grocery department at the Army and Navy Stores; he probably receives 1,000*l.* or 1,200*l.* a year. It would be an advantage to get hold of a man like that?—It is well worth the expense, because you will guarantee that the soldier is getting full value for his money. There are different qualities of things. Some people do not care about the highest quality, but what you want to ensure is, that whether they take the first or the second quality they should have full value for their money.

7087. Do you not think that only a man brought up to the business could do that?—I quite agree that you should have a man who has been brought up to the business.

The witness withdrew.

From Major-General MILD MAY WILLSON to the SECRETARY, Royal Commission on Canteen Management.

Grantully Castle, Aberfeldy,
September 15, 1902.

I have been requested by your Chairman to explain more fully my opinions as to the future management of canteens, and therefore beg to forward the following remarks.

The original civil tenant system was found to be so bad that about the year 1860 it was considered imperative to have a change, and regimental control was introduced in its place.

This new system certainly was a great improvement on what had gone before, but as in those days officers took little interest in the management, the tradesmen and managers regulated the prices, &c., pretty much as they pleased, with the result that the supplies were of most inferior quality and the prices far higher than they ought to have been. This enabled the tradesmen to fee everybody connected with the institutes handsomely, and the manager on his part took very good care that no complaints reached the officers.

When I took over the management of our Battalion Institute about 1870, I found we were paying the tradesmen the same prices for food supplies as obtained during the Crimean war, and when I expostulated with the manager was informed that there were no complaints as to the prices which were kept at one uniform level, as it avoided having continually to change them which would certainly have caused discontent if they had to be raised, and it also simplified the accounts. Such a thing as unaccountable profits on beer was in those days unheard of, and on one occasion in 1878 the Officer Commanding my battalion was instructed to reprimand his canteen committee for the lax way in which the accounts were kept, as there appeared a considerable amount of unaccountable profit which could not have happened if the accounts had been properly kept.

Officers gradually began to take more interest in the institutes, and wherever this was the case the quality of the goods was very much improved, and at the same time prices reduced, but it was a matter of general

knowledge that the post of manager was a very lucrative one, and after the system of putting in old sergeants within a few months of their discharge was done away with, there were always an enormous amount of applications for any post that became vacant.

It was in order to try and stop this known leakage that locked tills were introduced into the brigade of Guards in 1892-93. Every conceivable dodge was tried to defeat this innovation, but as the system got gradually into working order almost every one of the then managers resigned their posts and were replaced by sergeants in the regiments, who were, of course, removeable at pleasure if the institute was not considered to be working satisfactorily. To show the effect of the locked till system I cannot do better than append the amount of surplus profits returned at Wellington Barracks, London, for the five years before and after their introduction, as follows:—

	£	s.	d.			£	s.	d.
1888	-	426	6	6	With locked tills.	1893	-	945 5 9
1889	-	441	7	0		1894	-	1,061 2 4½
1890	-	459	9	0		1895	-	1,360 2 0
1891	-	460	10	5		1896	-	1,864 11 0½
1892	-	472	7	1		1897	-	2,064 2 10½

the number of men in the barracks being about the same in each year. So that it will be seen that previous to their introduction the available surplus receipts only averaged 452*l.* per annum, but rose in the next five years to an average of 1,459*l.* 4*s.* During these two periods the charge for malt liquors remained practically the same, but all groceries in the coffee bar were reduced by quite 20 per cent., and sold as near cost price as possible.

I understand that the present system is objected to on two grounds, viz., that it takes a certain amount of men away from their proper duties as soldiers; and, secondly, that there is a strong objection on the part of the officers to the counting of the coin, and in consequence that your Committee has been appointed to inquire what is best to be done under these circumstances. I am thoroughly convinced myself that it would never do to go back to the old tenant canteens, as former abuses would again crop up at once, and am therefore strongly in favour of some central supply dépôt, under Government supervision, where the best "value" only could be bought, Government inspectors being answerable that every consignment sent out was up to sample; also, that the accounts should be audited periodically under the same control, and after paying interest and outgoing expenses, that all surplus profits should be returned to the regiments *pro rata*. This has been the aim and object of the Canteen Co-operative Society, with which I have been intimately connected since it was started; but, at the same time, I am not in the least biased in their particular favour as long as we can induce the Government to start some supply department on the same lines. By far the simplest way to carry out this suggestion would be for the Government to recognise the Canteen Co-operative as their accredited agents, as they would have all the working machinery and staff ready at hand, and the only thing required would be to appoint Government experts to ensure best value for all purchases, and Government auditors to see that every penny of surplus profit was returned to the soldier.

I am entirely against any scheme of tender for supplies, as prices are invariably out very low indeed, the applicants counting on lax supervision and apathy on the part of the officers to enable them to make their profits.

I might add that I consider that the great reduction in the prices charged in the coffee bars is mainly attributable to the establishment of the Canteen Co-operative Society, as in former days, when one complained about the prices charged by tradesmen, one was invariably met with the reply that it was impossible to obtain the goods at a lower rate while after the establishment of this society their price list was found practically to rule the market.

M. WILLSON,
Major-General,
Late Commanding 1st Scots Guards.

CANTEENS AND REGIMENTAL INSTITUTES.

The following questions were conveyed by letter from the President to General, Viscount Kitchener, who returned the following replies:—

1. Are you in favour of regimental management or supply and management by a central organisation?

No. 1.—I certainly consider that management of canteens by a central organisation gives better results than the regimental system.

2. Do you think that the appropriation of regimental institute profits should be left to the C.O., to be spent according to his discretion for the benefit of his men, or by some higher authority for the collective benefit of the Army?

No. 2.—I consider that the men can get better advantages out of the profits of canteens being spent by a central committee for the collective benefit of the Army than by leaving such profits to the distribution of C.O.'s.

3. Was the management of the F.F.C. in South Africa satisfactory? On what principles was it conducted?

No. 3.—I consider the management of the F.F. canteen in South Africa was satisfactory. Many conditions naturally prevailed in that country during the war which would not exist in canteen management elsewhere. The principle upon which the F.F. canteen was conducted was a central organisation with numerous branches and an arrangement for opening new establishments of a temporary nature rapidly in any direction they might be required. The stocks of those articles which the men most required were kept in hand, small profits and quick turn-over being the objects aimed at.

4. How were the profits appropriated?

No. 4.—The profits were mainly held for building and establishing soldiers' clubs at the different centres. These clubs will thus become the property of the soldiers, and, given a small sum for the maintenance of furniture, they will be self-supporting.

No wet canteen is to be established in a soldiers' club, though there will be a tea and coffee bar, and a pint of beer per man will be allowed for meals.

The plan of the club that is now being built at Pretoria might be possibly obtained at the War Office where it was sent and approved of. Besides the above, grants were made to the men on special occasions, and also to the hospitals when required. 200*l.* were given to the Regimental Institute of each regiment leaving the command.

5. Have you objections to the employment of soldiers on the Active List as canteen stewards, barmen, &c.?

No. 5.—I do not consider it advisable that soldiers on the active list should be used as canteen stewards, barmen, &c. Of course N.C.O.s and soldiers would form the committee of the soldiers' clubs above referred to.

6. Are you in favour of soldiers being allowed a pint of beer with their meals?

No. 6.—Yes.

7. What are your views as to the organisation and management of a regimental institute—especially with reference to the wet canteen?

No. 7.—I think all canteens and institutes should be run on co-operative lines. The wet canteens should be dealt with separately, and though enabling men to obtain refreshment, it should not be made into an attractive lounge. It should in my opinion be run more on the lines of a railway refreshment room where tea, coffee, and sandwiches can also be obtained.

The profits on the wet canteen should be higher than these on dry goods, except in the case of the one pint of beer, which when served at the club might be issued at the most moderate profits.

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Eadon, Major F. H. (Analysis of his Evidence.)

2nd in Command, Cavalry Depôt, Canterbury, 1534.

Prefers tenant system, which gives less trouble to officers, N.C.O.'s and men, is equally profitable, and simplifies management, 1537-1538, 1577-1579.

Tenant's profits largely accrue from liquor, 1544-1545; but large profits also from coffee, 1548.

Canterbury canteen regimental, 1549; fine institute which provides coffee and biscuits in morning and suppers at large profit, 1549.

Does not support allegations against tenants of pushing liquor, 1546; of incivility, 1552; or of keeping dirty canteens, 1554-1556.

Room accommodation at Canterbury ample, 1557-1562; beer not allowed with dinners and suppers in institute, 1563-1566; is in favour of allowing it, 1572; men also, 1573.

Sale of drink by regimental salesmen undesirable unless supervised, 1578.

Squadron officers in cavalry regiments have not sufficient time for committee work, 1579.

Egerton, Brevet Lieut.-Col. (Analysis of his Evidence.)

Has had considerable experience as president of both regimental and garrison institute at Malta and Cairo and at home, 4065.

Under regimental system responsibility on officers very great, 4066; and they must be much in the hands of the manager, 4066-4067; president inspects daily and men complain freely if things are bad, 4069-4072.

Appropriation of profits under supervision of General Officer; men not consulted, 4075-4085.

Young soldiers learn to drink when they enter Army, 4086, 4090-4095; favours allowing beer with supper, 4096-4097; but objection is that it sometimes must be carried a long way, 4099-4101.

Caterers in sergeants' messes make but small profits, 4112; but must be carefully watched, 4113; peculiar customs, 4114-4119.

Practice of bribing regimental canteen managers is well known, 4124-4136; remedy, 4137.

Favours central supply organisation, 4140; for groceries, not beer, 4143, 4145; if purchase from it is optional, 4140-4142.

District contracts better than regimental, 4146; as one firm has a large contract and can give more satisfaction, 4150-4152.

Entertainments.

(Aldershot) *Jeffreys*, 491; *Acres*, 3244, 3299; (Colchester) *Gatacre*, 516; *Crofton*, 597, 599; *Q. Jones*, 3750; *Grierson*, 4956; (Shorncliffe) *Willis*, 1452; (Chelsea) *Howard*, 1875; (Gosport) *Murphy*, 2060; (Woolwich) *W. T. Lewis*, 4437-4439; (Colchester) *Lewis*, 4956-4962.

For preventing men going to wet canteens or out of barracks, *Jeffreys*, 450; *Gatacre*, 508; *Crofton*, 599; *Howard*, 1875; *Acres*, 3300; *W. T. Lewis*, 4454; *Roberts*, 4716; *Lewis*, 4958; *Hallam-Parr*, 5396.

For attracting men to wet canteen, *Minto*, 2895, 2896.

Against introducing music halls into barracks, *Hay*, page 84.

Liquor served in entertainment hall, *Acres*, 2343-3249; in favour of it, *Wood*, 3004; *Lewis*, 4947; against, *Buller*, 4054; *Egerton*, 4089.

Would allow female friends to attend, *Q. Jones*, 3750-3754.

Admission of one friend allowed, *W. T. Lewis*, 4440.

Entertainments at Soldiers' Institutes, *L. Wavell*, 4624-4629.

Against entertainments in canteens, *Roberts*, 4691, 4711, 4712; *Kelly-Kenny*, 5690; *Fawkes*, 5862.

F.

Farmer, Private E., Grenadier Guards. (Analysis of his Evidence.)

Favours regimental system, 1926; men better served, waiters more obliging, 1927, 1954-1955.

Drink decreasing in Army, 1930-1931.

Beer allowed at supper, 1942.

Canteen at Wellington Barracks under Canteen and Mess Society, 1952-1953.

Men ignorant as to expenditure of profits, but are satisfied, 1964-1968; would favour spending them on improved buildings, 1969-1971.

Farmer, Lieut.-Colonel F. C., R.A. (Analysis of his Evidence.)

President of large Garrison Canteen at Woolwich, 2; on regimental system, 5; pensioners employed, 6.

Profit of canteen about 12½ per cent., 18; proportion of profits from beer and other goods, 20.

Non-commissioned officer always on duty to see that no drunken man is supplied and to keep order, 29, 31.

System of tickets for beer used; no money passes across counter, 47.

Against tenant system, 53; tenant's principal interest must be his own, not soldiers', 54.

Large canteen like Woolwich, which buys from wholesale importers and big dealers has every advantage from competition, and would lose by being handed over to tenant, 56, 64, 67.

Co-operative Store distributing all profits in the interest of the soldier would be an advantage for all canteens, 71.

Woolwich canteen differs from usual regimental ones in employing no soldiers, 75; is exceptional in having experienced heads of departments who have been in the business for years, 80; and in being a permanent canteen, 82, 101, 102.

Officers should not be taken away from military duties, 79.

Fawkes, Colonel L. G., R.A. (Analysis of his Evidence.)

Advantages and disadvantages of present system of wet canteens, 5829; proposes giving pint of beer at dinner and at supper, and abolishing wet canteens, 5827, 5842-5843; answer to objections, 5827; example of Navy, 5829; experiment made, 5827, 5853-5860; opinions of officers, 5845; probable diminution of canteen profits, 5870-5875.

Fawkes, Colonel L. G., R.A. (Analysis of his Evidence)—continued.

Custom in sergeants' messes to get outsiders to buy beer so as to increase profits, 5832-5841; checking abuses, 5865-5869.

Entertainments should be given in recreation rooms, 5862-5863.

Favours co-operative system, 5876-5882; with committee of management appointed by rank-and-file, 5885-5889.

Canteens manufacture drinkers, 5894, 5907; the excessive drinking deters recruiting, 5901-5903.

Friends.

Place for seeing and entertaining, *Gibbard*, 263; *Coughlan*, 392; *Walker*, 1594; *Cooper*, 1698; *Howard*, 1878; *Acres*, 3268-3271; *Clark*, 3330-3332; *Butler*, 4037; *W. T. Lewis*, 4440, 4442, 4443; *Kelly-Kenny*, 5722-5724.

G.

Gatacre, Major-General Sir William, K.C.B., D.S.O. (Analysis of his Evidence.)

Represents the Eastern District, 500.

Prefers regimental or garrison to tenant system, 500, 522; financially not much difference, but for soldiers' interest and as experience for young officers regimental unquestionably best, 500-501; though for small units civilian agency preferable, 501.

In tenant system tenant must push sale of liquor, 508; young soldiers do not drink much, old soldiers do, 501, 508; entertainments should be given in barracks, which will keep men from visiting public-houses outside, 508; and to provide entertainments, profits from canteens must be kept in regimental or garrison hands, 508.

Men consulted in distribution of profits, 514-516.

Prefers pensioners to serve in canteens, but they are not reliable, 520; soldiers should serve in order that regiment may be self-contained, 521-526; officers can certainly perform canteen duties in addition to military ones, 528.

Beers are selected to meet men's wishes, 532; profits on beer, 538-540.

Pay of soldier-attendants under regimental system much less than that of civilians, 541-544; allowing lower prices under that system, 547-550.

Gibbard, Battery Quartermaster-Sergeant John. (Analysis of his Evidence.)

Quartered at Woolwich, 250; Royal Artillery Canteen at Woolwich gives liberal discounts and bonuses to soldiers and their families, 253.

Thinks wet canteen too public, 252-253; should be more comfortable, 255, 316; with glasses and small measures, 257; is simply a bar for drinking and smoking, 259; dominoes, draughts, &c., and newspapers should be provided, 259; a man should be able to take his sister or mother there, 263; and decent meals should be provided, 263.

Canteen should be more like sergeants' mess, 312.

Recreation rooms and canteens should be under one roof, 261; beer should be allowed in refreshment rooms, 263-272.

Sergeants' messes at Woolwich, 281-289; system of taking stock and reckoning profits, 301; no personal advantage to caterers, 305; profits go to mess room expenses, newspapers, and games, 307-310. *

Favours tenant system for sergeants' mess under supervision, 325-327.

Gray, Mr. Jesse Clement. (Analysis of his Evidence.)

General Secretary of the Co-operative Union, 2510.

Extent of co-operative societies, 2512-2517; their constitution, 2517-2536; *history of co-operative movement*, 2524; *distinction from Army and Navy and Civil Service Stores*, 2525-2529; shares always at par and not saleable, 2528; limit of holding of individual members, 2530-2533; number of registered members, 1,709,000, representing 5,000,000 people, 2608-2611; rank-and-file of the Army and Navy the only people left outside co-operation, 2533, 2579.

Extent of and results of trading by Woolwich, Plymouth, and other societies, 2534-2536.

Wholesale co-operative societies, 2537; English Co-operative Wholesale Society, established 1863, doing business of 20,000,000*l.* a year, 2537; average dividend 4*d.* in the £ on the turnover, 2538-2540; that of Scottish Wholesale Society 8*d.* in the £, 2541; about half supplies of co-operative societies purchased from Wholesale Society, 2554-2555.

Expert buyers employed, 2559-2575; goods purchased direct from producers, 2567-2578.

Favours a central co-operative society for the Army, 2580; Italian Co-operative Society for Army and Navy very successful, 2580-3581; important to give soldier an individual interest, 2581; systems suggested for keeping accounts of individual purchases, 2582-2587.

Gray, Mr. Jesse Clement. (Analysis of his Evidence)—*continued.*

An Army canteen, if registered as a society or company, could be affiliated to the Wholesale Society, 2589-2597; but a central society would be better, 2588, 2598, 2615; suggested central society described, 2599; could join with the Wholesale Society in purchasing, 2,615; suggestions as to staff, 2617-2620; and directors, 2621-2637.

Army Canteen selling liquor could become member of co-operative movement, 2602; about thirty societies sell liquor, 2506.

Suggested system of management of branch canteens and their connection with central society, 2643-2654, 2575; they should buy exclusively from central society, 2655-2660.

Co-operation by its magnitude commands best sources of supply, 2671.

Grierson, Colonel. (Analysis of his Evidence.)

Canteens in Germany, 4718-4729, 4731-4737; nothing to be learnt for them 4730, 4738.

Would keep canteens and recreation rooms together, 4740-4741; regimental officer should not have to go into the details of management, 4743-4746; dishonesty can be prevented by supervision, 4747-4753.

Favours tenant system, which relieves officers and men from canteen duties, 4753-4759.

Grocers' Association.

Evidence from representative of, *Pink*, 6761-6859.

H.

Hadfield, Colonel Arthur, Army Service Corps. (Analysis of his Evidence.)

Quartered at Dublin, 820.

Canteen management in Ireland reverting from district system to regimental system, 821-824; thereby ensuring better terms, 831, 875-883; as under district system contracts were made for a year, 832-835; Commanding Officers should make their own contracts, 841.

Has let his dry canteen to Dickeson for three months as an experiment, 842-847, thus avoiding employment of officers, 842.

Beer contract for one year for whole district made by General Officer Commanding, 852; beer selected by committee of officers, 887; bought from English instead of Irish firm, which is wrong, 853-857; favours sale of beer by tenant so as to save soldiers for duty, 860-865; does not think sale would be pushed, 862; N.C.O. on duty in canteen to keep order and to prevent excessive drinking, 867-868; no man served with liquor if appearing the worse for it, 872.

Profits, 889-893, 914-921; half the canteen takings come from people round, not soldiers, 971-973; but the soldier gets benefit of all the profits, 971, 984; distribution of them being settled by Commanding Officer, 970, 987.

Entirely against central War Office organisation, which would be a monopoly and do away with competition, 895; suggests War Office list of contractors for the use of Generals and Commanding Officers, 900-902; at present only three firms running canteens, 903-904; but there are lots of local firms competent to do so, 905.

Commanding Officers should compare tenants' prices with market and other retail prices, 912-933, 940-947, 972-975.

Not acquainted with workmen's co-operative societies, 977-980.

Opinions as to proposed central organisation, 898-899, 934-936, 992-994.

Haldane, Mr. John, M.D., F.R.S. (Analysis of his Evidence.)

Lecturer in Physiology at Oxford, 6255.

Energy value of food required by average men about 3,500 calories, 6264; soldiers free ration contains about 1,800 calories.

Grocery ration therefore a necessity, 6276-6279, 6350-6351; men are well fed, but must supplement rations by supper brought out of his own funds, 6287-6289 6300.

Comparison with dietary of convicts, 6269-6273, 6311.

Estimate of amount of food consumed by recruit is 4,100 calories, and by efficient soldier a little less, 6314; of this 1,000 calories must be purchased out of messing allowance or pay costing 5d. or 6d. a day, 6319-6321.

Considers recommendation of Departmental Committee of 1889 mistaken as to quantity of food required, 6321.

Favours allowing money to soldier to buy part of rations, 6332; comparison with system in Navy, 6334-6336.

More data required, 6348-6349, 6363-6370.

Hancocks, Private Joseph. (Analysis of his Evidence.)

14th Provisional Battalion ; stationed at Cork, 1223.

Cork canteen on tenant system, 1225 ; soldiers prefer regimental, 1228 ; majority ignorant as to working of canteen, 1230-1237 ; afraid to make complaints, 1245-1253, 1258 ; dirty drinking pots, 1258.

Suggestions as to disposal of profits, 1254-1257 ; and reform of canteens, 1268-1270 ; would like pint of beer with supper and dinner, 1271-1280.

Heygate, Mr. C. B. (Analysis of his Evidence.)

Secretary and General Manager of Canteen and Mess Co-operative Society Limited, 5932.

Denies allegation that Society wish War Office to take them over, 5393.

Amount of trade, 5394 ; competing firms, doing other trade also, supplied goods below cost price in order to kill Society, 5394-5397.

Other difficulties, want of knowledge of co-operation in Army, 5397, 5448-5450, 5515-5517 ; dishonest complaints by stewards, 5397, 5462-5464, 5403-5408, 5462-5464, 5588 ; introduction of district contracts, 5397, 5457-5458.

Disadvantages of tenant system, 5416-5418, 5576-5577 ; under which two-thirds of canteen business in hands of one firm, 5418 ; free competition being thus impossible, 5419.

Central organisation would mean freest competition, 5419 ; example of Co-operative Wholesale Society, 5420-5424 ; defence of compulsory dealing, 5424-5430, 5440, 5451-5457, 5569-5572.

Society intended to be wholesale supplying agency for Army, 5481 ; with advantage of drawing on Co-operative Wholesale Society, 5476-5483.

Would employ old soldiers in beer bar and co-operative grocers in dry canteen, 5491.

Testimonials as to satisfactory character of Society's work, 5398, 5497-5499.

Control of Society by consumers, 5504-5514.

Scheme for working central organisation, 5520-5558 ; not to be a War Office concern but owned by regimental institutes, 5559.

Answer to charge of altering labels on jam, 5589-5590.

Losses in connection with supplying forces in South Africa, 5593-5594.

Answers to criticisms of society's work, 5908-5955.

Employees and supervision, 5958-5970.

Hinde, Colonel John H. E., C.B. (Analysis of his Evidence.)

Represents 10th Regimental District ; quartered at Lincoln, 995-996.

Favours regimental system where there are a good committee, steward, and staff, 998-999, 1023 ; but it absorbs officers' time, 999 ; gives them trying duties, 999 ; and takes soldiers from their proper work, 1024 ; would retain liquor bar in management of unit and let grocery bar to tenant, 999 ; taking profits from former, not from latter, 999-1007.

Witness provides soup for his men in winter out of canteen funds, 1009 ; 80 or 90 men supplied at cost of 1s. a day, 1012-1013 ; in Chelsea barracks, by sale of dripping and saving bread men, supplied at night with slice of bread and bowl of soup for nothing, 1015-1016.

Central organisation desirable, but it should relieve officers of duties of management, 1019-1022 ; such organisation should provide distributing staff, 1025 ; and supply to each barrack not to each unit, 1026 ; the successive units appointing their own supervising committee, 1027, 1046.

Dealing with it should be compulsory, 1036 ; all goods having been purchased by experts in interest of soldier, there should be no ground for complaint, 1036-1038 ; thinks men would be satisfied, 1042.

Composition of regimental canteen committee, 1047-1059.

Profits from canteen, 1060-1068 ; serving beer with supper answers well where there are proper buildings, but it should not be taken into barracks, 1072-1074.

Beer selected by committee appointed by men, 1077-1080, 1084-1086, 1096-1098.

Perishables should be bought locally, 1087-1089.

Howard, Sergeant James, Coldstream Guards. (Analysis of his Evidence.)

Favours tenant system, 1842 ; men receiving greater benefits and comfort, 1843-1845 ; by the competition of the firms, 1846.

Wholesale and retail price of beer at Chelsea Barracks, 1850-1853 ; no pushing of liquor, 1855 ; which is avoided by allowing beer with supper at coffee bar, 1855-1856 ; and with dinner, 1858-1860.

Amount of rebate, 1861-1864.

Tenant system approved by men as greater variety of goods provided, 1871-1872 ; also suppers, 1872-1874 ; and entertainments, 1875.

Suggests that room for friends should be provided, 1878 ; and coffee bar and wet canteens should be as distinct as possible, 1879.

Howard, Sergeant James, Coldstream Guards. (Analysis of his Evidence)—*continued.*

Spending profits on improved buildings would not be popular with men, 1882-1889.

Contract for beer for sergeants' mess and for wet canteen made at Headquarters Office, 1891-1898, 1910-1921; unascertained profits on sergeants' mess average 10 per cent., 1902; locked till a success, 1908.

Huntingdon Major H. (Analysis of his Evidence.)

7th Battalion Rifle Brigade, 6634.

Regiment has canteen on tenant system during annual training, 6642; method of checking quality of beer, 6650-6651; selection of brewer, 6652-6654.

Favours tenant system, 6657-6661.

Drinking does not affect efficiency of men, 6675; younger men do not drink beer, 6675.

Profits given for improvements for messing, 6682-6684; dry and wet canteens should be as attractive as possible, 6684.

J.

Jackson, Sir John. (Analysis of his Evidence.)

Regulations adopted for canteen established for workmen at Admiralty Dock Extension Works, Keyham, 7035; canteen under contract system, 7035; each man limited to three pints a day, 7035; only three cases of intoxication in five years, 7039.

Canteen only open at meal times, 7049-7051; about half the men take beer with their food, 7053.

Beer sold at about two-thirds the price of that sold at public-houses, 7035; served partly in pewter, partly in glass, 7058; but no vessel larger than a pint.

Less intoxication now than formerly, when men went to public-houses, 7056, 7059-7060.

Jeffreys, Colonel H. B. (Analysis of his Evidence.)

Commanding Officer of Artillery Canteen, Wellington Lines, Aldershot, 408.

Favours tenant system, as under regimental system officers not up to tricks of trade, and their time wasted, 410, 469.

Canteen now under Canteen and Mess Society, and working very satisfactorily, 412-413; beer sales diminished and coffee bar sales improved, 414; comparison of profits handed over by Society and by Dickesons, 420-429; big firms attempt to oust Society, 430, 458-461.

Scheme of altering buildings at Aldershot to separate drinking bar from refreshment and amusement part of the institute, 450-451.

Distribution of profits, 453-454, 494, 497-498.

Doubts the advantage of central War Office organisation, 465-466, 469, 488-490; question whether it would always buy in best market, and whether it would be under businesslike management, 468, 490; tenant system with expert inspection safer, 469.

Acquainted with co-operative movement, but considers it more easily worked by civilians than officers, 484-486.

Arrangements at Aldershot for games and entertainments, 491-493.

Jones, Colonel Quayle, C.B. (Analysis of his Evidence.)

Commanding 6th Regimental District, 3701.

Barrack rooms uncomfortable, and men driven to wet canteens, 3704-3709; better accommodation wanted, 3709; soldiers will not take trouble to carry beer to dining-room, 3711-3713; after two years' service large number of men become "soakers," 3713-3717; young soldiers good eaters, do not drink, 3714; more comfort wanted in recreation rooms, and more supervision of the rooms, 3717-3718.

Alleges against Canteen and Mess Society that labels on jam charged to detriment of purchaser, 3720-3731.

Favours district contract system for purchase of beer, 3731; increase in drinking due to cheapening beer, 3724; canteen prices should be cheaper than publican's prices, to keep soldiers from public-house, 3739-3741; and beer more often tested, 3742-3748.

Favours regimental system for dry canteen, 3748-3749; beer should be allowed with food in supper rooms, 3750; N.C.O.'s and their wives should be encouraged to attend entertainments, 3750-3754; canteen should be made more like a club, 3754-3762, 3827-3830; and sports encouraged, 3758-3762.

Ideal canteen should be a drinking bar, with no seats, served by abstainer, 3769; a grocery bar, 3769-3771; and writing, reading, and games rooms, 3772; kept apart, with separate managers, 3772.

Jones, Colonel Quayle, C.B. (Analysis of his Evidence)—*continued.*

Favours regimental system, 3779-3786; but married people object to it, 3786-3789; disadvantages of system, mainly extra work for officers, 3790-3799; advantages of tenant system, less responsibility and trouble for officers, 3800-3801; disadvantages are less profits, pushing sale of beer, civilian attendants, no check on quality of goods, higher prices, 3799-3800; is against central organisation, 3802.

Sergeants' mess system bad, 3796-3798; locked tills useless, 3809-3811; difficulty of ascertaining unaccountable profits and trade discounts, 3811-3822; sergeants' mess should be more of a club, with better accommodation, 3823-3826.

K.

Kelly-Kenny, Lieut.-General. (Analysis of his Evidence.)

Young soldiers get habits of drinking after joining Army, 5603, 5642.

Favours regimental system, which gives officers more interest in regiment, 5606-5608, 5665; and does not interfere with proper duties, 5609.

In tenant system, control lost, 5615; taking bribes and pushing sale of beer common, 5602, 5616-5617, 5610-5633.

Against compulsory dealing with central organisation or co-operative store, 5633-5636; advocates very strong system of inspection, 5638-5641.

Messing money a necessity to soldier for his proper nutriment, 5643-5663; and therefore dry canteen also, 5664; which should not be handed over to contractors, 5666; instances of pushing sale of beer by contractors, 5666-5669.

Officers as shareholders in contracting firms, 5670-5677.

Large measures used for serving beer, 5681, 5702-5706; favours one pint of beer with suppers, 5682-5684; improvements wanted in canteens and institutions, 5685-5694.

Would leave responsibility of sergeants' messes on sergeants themselves, with inspection by Commanding Officer, 5695-5700.

Favours increased facilities for instruction and amusement in institutions as counter attractions to wet canteen, 5710-5712; provided by profits of wet canteen, 5712; under control of Commanding Officer, 5714.

Approves of borrowing money for providing comforts on security of wet canteen's receipts, 5716-5721.

Would allow soldiers' friends in coffee bars, 5722-5724.

Against young soldiers individually belonging to co-operative societies, but no objection to regiment as unit, 5726-5731.

Evidence refuting Mr. Polden's allegations against Canteen and Mess Society, 6610-6616; hears nothing but good of the society, 6618.

Commanding Officer should have appropriation of canteen profits, 6619; though Government should provide many things now bought with them, 6620.

Opinion as to providing better buildings out of canteen profits, 6623-6633.

Kennett, Mr. Waldemar O., and Mr. Alexander William Prince. (Analysis of their Evidence.)

Mr. Kennett, Chairman of Richard Dickeson & Co., Limited, 2112; Mr. Prince, director, 2113.

Rebate varies according to district from 2s. to 4s., 2119; reasons for variety given, 2376-2386; definition of surplus profits, 2121; wholesale price debited to canteens, 2122-2128.

Beer retailed for Commanding Officer, who selects brewer, whilst tenants fix price, 2131-2145; rebate comes chiefly out of sale of beer, 2162, 2257-2276, 2335-2341, 2387-2390.

Periods of contracts vary, 2164-2167.

Reasons for Dickesons' large share of canteen business, 2172; their wholesale profits, 2 to 2½ per cent., 2174; soldiers' only security is in retail prices, 2181; which are based on wholesale price debited to canteen, 2182; and are compared by Commanding Officer with those of competitors, 2184.

Total turnover and rebate, 3190-2191; how rebate calculated, 2192-2195.

In grocery bar, grocery assistants serve, and wants of customers studied, 2196-2201, 2230; in wet canteens reserve men or pensioners serve, 2230; wages 2233-2237; their dismissal at option of Commanding Officer, 2238-2242.

System of contract for Western District, 2212-2213; Dickesons are allowed to do wholesale trade as well as canteen trade, prices being the same, 2213-2229.

Quality of the goods supplied, 2244; men complain of inferior goods, 2247; comparison of Dickesons with the Wholesale Co-operative Society, 2280-2291; opinion as to a co-operative concern run in the soldiers' interest, 2300-2317.

Dickesons' capital, and goodwill, 2292-2299; the preference shareholders, 2321-2333.

Prices to soldiers same as to civilians, with the addition of carriage, and return of empties, 2362-2368.

Kennett, Mr. Waldemar O., and Mr. Alexander William Prince. (Analysis of their Evidence)—*continued.*

Sale of beer not pushed, 2393; rise in amount of rebate offered due to lowering of wholesale price of beer, 2401; coffee bar and supper bar yield handsome profits, 2409, 2491.

Dickesons' profit and loss account, depreciation, reserve for bad debts, 2434-2454.

Suggestions for improving canteen trade, proposed form of agreement, 2455-2471; summary of the form, 2476; opinion as to a separate army organisation, 2476.

Clean tin pots provided in wet canteens, 2466-2468; young soldiers drink less beer and eat more food, 2476; beer should be served with suppers, 2497; but only one pint, provided supper ordered with it, 2498; serving it with dinner a question of discipline, 2500.

Gravity of beer too high, 2501; soldier would like lighter beer, 3503; which is drunk and liked by Royal Engineers at Chatham, 2504-2505.

Key, Mr. William. (Analysis of his Evidence.)

Scheme of central organisation for buying beer for canteens, 5799-5816, 5820-5822.

Regimental officer does not understand selection of beer, 5805; 5817-5819.

King, Major Charles Wallace, D.A.A.G. (Analysis of his Evidence.)

Favours (a) giving discretion to General Officers Commanding to have institutes managed on regimental or tenant system, or partly both; (b) contract, after open competition, for beer and groceries; on regimental system, obtaining wholesale quotations for beer and groceries; on tenant system, retail price of beer and rebate to be fixed, and all surplus profits handed over; (c) entertainments provided out of rebate and surplus profits; (d) grocer for tenant; (e) tenant system by preference, 3060-3073.

Is against co-operative system, as not giving value for money, 3075-3091, 3173. In favour of open competition, 3076; and frequent inspections, 3100-3110.

Opinion of Canteen and Mess Society, 3096-3097, 3112-3130, 3148; would be more efficient with larger turnover and trade not confined to the Army, 3131-3133, 3135-3145, 3168-3171, 3176-3179; have lowered prices by their competition, 3196-3199.

Central organisation would fail, owing to cost of carriage to out-stations, 3149-3161.

Kitchener, General Viscount. (Analysis of his Evidence, page 255.)

Favours management of canteens by central organisation on co-operative lines, 1, 7; profits being spent by central committee for collective benefit of Army, 2.

Field force canteens in South Africa managed by central organisation with branches; small profits and quick returns aimed at; profits applied to establishing soldiers' clubs, also grants to men and to hospitals, 3, 4.

Soldiers on active list should not be employed in canteens, 5.

Favours serving one pint of beer with meals, 6.

Wet canteens should not be an attractive lounge, but managed on the lines of a railway refreshment room; profits higher than those on dry goods, except those on the one pint of beer served at club, 7.

L.

Lewis, First Class Staff Sergeant-major. (Analysis of his Evidence.)

Chief clerk to Sir W. Gatacre at Colchester, 4761.

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Lewis, Mr. W. T. (Analysis of his Evidence.)

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Lomax, Colonel Samuel H. (Analysis of his Evidence.)

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M.

Macardle, Mr. Thomas Callan. (Analysis of his Evidence.)

Member of firm of Macardle, Moore & Co., Limited, Brewers, Dundalk, 4520.

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McLeod, Mr. Alexander. (Analysis of his Evidence.)

Secretary and manager of Royal Co-operative Society, Woolwich.

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Minchin, Private Sydney. (Analysis of his Evidence.)

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Minto, Mr. Archibald and Mr. Thomas Smith. (Analysis of their Evidence.)

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Murphy, Major James. (Analysis of his Evidence.)

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Favours tenant system for militia, as taking up less of officers' time, 6746 ; but regimental officer should have power of inspection and reporting, 6749.

Parr, General Hallam. (Analysis of his Evidence.)

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Pink, Mr. Harold Rufus. (Analysis of his Evidence.)

Representing Grocers' Association, 6761.

Managing partner of William Pink and Sons, Portsmouth, 6809.

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Plant Quartermaster George Frederick. (Analysis of his Evidence).

Quartered at Derby, 1281.

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Under tenant system there is more variety, 1286 ; tenant understanding his business, 1343 ; whereas regimental officers have no desire to increase work, 1344-1345.

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Polden, Mr. Thomas Ernest. (Analysis of his Evidence.)

Represents traders of Aldershot, 6030 ; gives evidence in favour of soldiers, 6069, 6150-6152.

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Farmer, 20 ; *Gatacre*, 555 ; *Crofton*, 578-581 ; *Plant*, 1341 ; *A. G. Wavell*, 1722 ; *Murphy*, 2095 ; *Kennett*, 2390, letter on page, 73 ; *Minto*, 2794, 2863 ; *Maxse*, 3596 ; *Q. Jones*, 3709 ; *Heygate*, 5416 ; *Kelly-Kenny*, 5618 ; *Raglan*, 6562.

Public-house Trust System.

Evidence from representatives of, *Bell*, 6379-6448 ; *Reid*, 6649-6520.

R.

Raglan, Lord. (Analysis of his Evidence.)

Commanding Officer of the Monmouthshire Royal Engineers (Militia), 6521.

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Method of checking canteen managers, 6546-6549.

Against central organisation with official management and compulsory purchasing, 6553-6554.

Amount of profits, 6557-6559 ; which come from sale of beer entirely, 6561-6562.

Usual methods in Army of disposing of canteen profits, 6573-6576.

Commanding Officer should have control of canteen servants and details of management, 6586-6593 ; including buying, 6594-6597.

Would like to see groceries issued to men as well as bread and meat, 6609.

Recruits and Young Soldiers good Eaters, but do not Drink Much.

Gatacre, 501 ; *Wilson*, 656 ; *Hinde*, 1062, 1064 ; *Plant*, 1325, 1326 ; *Murphy*, 1998 ; *Kennett*, 2476 ; *Q. Jones*, 3714 ; *Buller*, 3965-3966 ; *Egerton*, 4086 ; *Macardle*, 4554 ; *L. Wavell*, 4647 ; *Roberts*, 4714 ; *Lewis*, 4949 ; *Heygate*, 5416 ; *Kelly-Kenny*, 5642-5643 ; *Fawkes*, 5827 ; *Huntingdon*, 6675 ; *Burnett*, 7006.

*Regimental System.**Advantages.*

Enables Commanding Officers to benefit by competition, *Farmer*, 7 ; *Hadfield*, 830 ; *Murphy*, 1987, 2032 ; *Craufurd*, 2677.

Secures all profits to the regiment, *Gatacre*, 514 ; *Crofton*, 564, 588 ; *Calver*, 732 ; *Willis*, 1451 ; *Q. Jones*, 3779 ; *Paget*, 6525, 6526.

Soldiers' interests considered, *Gatacre*, 500.

Cheaper and better food served, *Verity*, 769.

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Officers have not expert knowledge management of canteens, which pass practically into hands of stewards, *Jeffreys*, 410; *Hinde*, 999, 1019; *McMillen*, 3520, 3532; *Q. Jones*, 3794; *Buller*, 3950, 3957; *Egerton*, 4066; *Roberts*, 4694; *Dunne*, 5074–5077; *Key*, 5600; *Burnett*, 6896.

Takes officers and men away from their proper duties, *Farmer*, 55; *Jeffreys*, 410; *Wilson*, 636, 648–651; *Hinde*, 999, 1000, 1003, 1019; *Anderson*, 1123; *Q. Jones*, 3790, 3799; *Buller*, 3950, 3952; *Lomax*, 4556; *Hallam Parr*, 5344; *Paget*, 8532.

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No variety in dry goods canteen, *Minchin*, 1372.

Reid, Mr. William. (Analysis of his Evidence.)

Method of stocktaking adopted to check dishonesty in managers in Fifeshire “Gothenburgs,” 6450–6464.

Wages of managers, 6465; committee of management, 6466–6468; managers must find security for honesty, 6477–6480; no buying done by them, but by secretary, 6481–6483.

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How profits spent, 6498–6503; drunkenness discouraged, 6504–6507; glass pint measures chiefly used, 6511; are preferred and are cleaner, 6514.

Riley, Captain T. M. (Analysis of his Evidence.)

Quartermaster of Rifle Depot, Gosport, 5240.

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Irregularities in sergeants’ messes, 5255–5262; advantage of mess bills for drink instead of cash payment, 5264–5276.

Against central War Office organisation, 5277.

District contract at Gosport not satisfactory, as regiments do not get benefit of competition, 5280–5289, 5323–5324; all contractors sell inferior articles, 5292; and do not sell cheaper than outside shops, 5296–5304.

Evidence as to canteen which tried Canteen and Mess Society, but gave it up because supplies were not good, 5325–5331; does not think canteen steward influenced against it by bribes, 5329–5333; but has heard of corruption in the Service, 5334–5343.

Roberts, Field-Marshal Right Hon. Earl, V.C., K.G., K.P., G.C.S.I., G.C.I.E., P.C. (Commander-in-Chief.) (Analysis of his Evidence.)

General order for reforming system of canteen management, 4691.

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Co-operative system would be of greatest advantage, 4695; as diminishing bribery and commissions, 4696.

Canteen profits might be applied to providing of comforts, amusements and recreations of men and their families, 4701, 4715–4717; clubs, such as those for working men, should be established for soldiers, 4702; counter-attractions to drink should be provided, 4711–4712.

Royal Army Temperance Association.

Evidence from Secretary of, *White*, 4160–4228.

Royal Co-operative Society, Woolwich.

Evidence from Secretary and Manager of, *McLeod*, 3839–3947.

Royal Marine Canteen Gosport.

Evidence from former Secretary of, *Murphy*, 1974–2111.

S.

St. Aubyn, Major Hon. John, Grenadier Guards. (Analysis of his Evidence.)

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St. Aubyn, Major Hon. John, Grenadier Guards. (Analysis of his Evidence)—continued.

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Sergeants' Messes.

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As brewers, supplying beer on tenant system, they do not push sale of beer, 5091, 5107-5108; any more than a grocer tenant, who has just the same inducement, 5113-5129; amount of premium given when dealing direct with regiment, 5102-5106, 5130-5131, 5215-5216.

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Favours selling of lager beer, which prevents drunkenness, 3485; but is dearer to brew and brings less profit, 3486.

Canteens should be called "institutes"; beer should be sold with food; manager should discourage drunkenness; recruits should be warned against drinking; pure beer should be sold; beer should not be depended on solely for profits, 3488.

Soldiers' Institute, Woolwich.

Evidence from manager, *Lewis*, 4406-4518.

Soldiers' Institutes, Aldershot and Pirbright.

Evidence from representative of, *L. Wavell*, 2607-4683.

Tenant System.

T.

Advantages.

Leaves officers and men free to attend to military duties, *St. Aubyn*, 169, 217 ; *Gibbard*, 327 ; *Jeffreys*, 410 ; *Wilson*, 627 ; *Calver*, 729, 730 ; *Hadfield*, 858, 859 ; *Anderson*, 1115, 1123 ; *Eadon*, 1538 ; *Wavell*, 1729 ; *Wood*, 3011 ; *King*, 3066, 3134 ; *McMillen*, 3520 ; *Q. Jones*, 3799 ; *Buller*, 3950 ; *Grierson*, 4753 ; *Roberts*, 4694 ; *Heygate*, 5199 ; *Paget*, 6746.

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Thorpe, Dr. T. E., C.B., F.R.S. (Analysis of his Evidence.)

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Tweddell, Mr. T. (Analysis of his Evidence.)

Chairman of Co-operative Wholesale Society at Newcastle, 4229-4291.

Application of co-operative principle to Army canteens comparatively easy, and an undoubted advantage to the Service, 4230 ; explanation of co-operative movement, 4230.

Suggested scheme for applying principle to Army canteens, 4232-4234 ; shareholders, 4239-4240 ; borrowing powers and loans to members, 4241-4242 ; 4246-4255.

No difficulty in accommodating system to movements of regiments, 4268-4270 ; to small numbers, 4272 ; and to sale of drink, 4273 ; method of distributing stores to scattered depôts, 4271, 4274-4278.

Regiments might take place of individual shareholders, 4279-4280 ; but latter preferable, 4280 ; system of distributing profits, 4281-4285 ; interest of each canteen in central organisation, 4286-4290.

Principle of competition maintained, 4291-4293 ; safeguards against fluctuations in demand for goods, 4296-4311.

Appointment of managers of branches, 4314-4335 ; management of small branches, 4342-4343 ; officials required in larger branches, 4344-4347, 4350 ; guarantees of probity, 4351-4354 ; safeguards against speculation, 4355.

Summary of advantages to Army of joining co-operative movement, 4362-4372, 4375.

Offering bribes and commissions to managers, 4380-4388 ; members watch their own interests, 4388.

V.

Verity, Private Joseph. (Analysis of his Evidence.)

3rd Battalion Manchester Regiment, quartered at Aldershot, 767-768.

Canteen now managed by Lipton, 774 ; would prefer regimental system, under which food is cheaper and better cooked, 769-772 ; more civility and more games and recreations, 779-782.

Food badly served, 789 ; refusal to cook without payment, 789 ; distribution of profits, 809-812 ; prices of dry goods higher under tenant's management, 814-815.

W.

Walker, Corporal Percy. (Analysis of his Evidence.)

Quartered at Canterbury, 1585.

Institute there admirable, 1592-1596; but wet canteen too near corporals' room, 1597-1600; and offers temptation to drink, 1601.

Beer should be allowed in institute for supper, 1603-1606; a pint only, 1613-1617.

Profits spent on sports and shooting clubs, 1621; men generally satisfied, 1624.

Wavell, Colonel Archibald Graham, C.B. (Analysis of his Evidence.)

Chief Staff Officer to H.R.H. Duke of Connaught in Ireland, 1703.

Old tenant system worst possible according to modern ideas, 1705-1708; still exists in places, 1711; generally replaced by regimental system, 1709; and by (new) tenant system, 1711.

Favours tenant system, 1713; which is managed by business men, relieves officers of much responsibility, saves their time, and prevents speculation, 1715; favoured by officers, 1751; and men, 1820-1821.

Amount of tenants' rebate, 1719-1721; how profit made, 1720; sale of drink pays best, 1722-1723; rebate might be increased by greater competition, 1791-1794.

Favours reduction of drink with less profit, 1724-1726.

Ignorant as to co-operative societies, 1743.

Favours central organisation without compulsion to join it, competing with tenant firms, 1749, 1783-1791.

Regimental canteens not managed on business principles; no variety in goods sold, 1753; tenant firms find out what men like, 1753, 1761; canteens should be managed by trained experts, 1754; under supervision of regimental officers, 1755; soldiers trust officers to watch their interests, 1760.

Favours canteen on restaurant system, 1762, 1766-1770; improvements in wet canteens required, 1762; but discouraged by War Office authorities, 1764, 1771; owing to funds not being available, 1775; deprecates using for the purpose canteen profits, 1778-1780; which are applied to provision of soup, games, &c. for soldiers, 1780; difficulties would also arise on change of station, 1826.

During term of contract, tenant naturally has monopoly, but practically sells at market prices, 1798-1809.

Opposed to central War Office organisation in London, with compulsion to buy from it, 1810-1815, 1825.

Sergeants' messes mere drinking shops, 1830; describes experiment in improvement, 1831-1832.

White, Mr. Clare. (Analysis of his Evidence.)

Secretary of Royal Army Temperance Association, 4160.

Great improvement in last 21 years in drinking habits in Army, 4166-4172; canteens improved, 4174; but further improvements wanted in accommodation and comforts, 4175-4177.

Favours regimental system, 4180; tenant not having interest in the men, 4181-4183.

Against allowing beer to be brought to supper room, 4198-4204; unless club system introduced, 4205-4210.

Young soldiers take to drinking after joining Army, 4220; temptation of canteens greater than those of ordinary public-house, 4222-4228; even serving beer in glass would be an improvement, 4225.

Wavell, Colonel Llewellyn. (Analysis of his Evidence.)

Honorary Secretary and Treasurer of the Institutes at Aldershot and at the Guards' Camp at Pirbright, 4609.

These institutes which are purely temperance, are practically soldiers' clubs, 4620; providing many counter attractions to public-houses, 4624, 4629, 4653; frequented chiefly by younger soldiers, 4626.

Extent of the institutes, 4635-4636, 4652; profits, 4637-4653; management, 4658-4661; 4666-4671.

Young soldiers eat more and drink less, 4647.

Advantages of the institutes, 4662-4665.

Recommends in interests of temperance that Commanding Officers should have profits from dry canteen only, not wet canteens, 4677-4678; would substitute sergeants' clubs for messes, 4682-4683.

Wells, Staff Quartermaster-Sergeant Arthur George. (Analysis of his Evidence.)

Quartermaster-sergeant in Army Service Corps, 5971.

Favours employing tenant for sale of liquors at sergeants' mess, 5973-5975; preferred also by other members, 5980-5982.

Profits and rebate, 5984-5990, 6011-6014; ready money payments, 5999-6001; retail price of beer, 6008; sergeants' mess committee, 6018-6021, 6028-6029.

Willis, Major Harry R.J. (Analysis of his Evidence.)

Quartered at Shorncliffe, 1399.

Favours scheme of central co-operative supply, embodying regimental system, 1402; would have central organisation purchasing through civilian experts, with district stores, 1408, 1488; from which canteens could be supplied on requisition, 1408, 1410, 1530; in each district there would be a supervising committee, 1418; with an expert inspection of canteens, 1408; but regimental committee must also have an interest and power to reject goods or buy elsewhere, 1419-1426.

Employees should be reserve N.C.O.'s and men with good characters, 1427, 1531.

Regimental system at Shorncliffe described, 1445-1450; application of profits, 1451; entertainments provided, 1452-1453; better accommodation wanted, 1458-1460, 1464.

Suppers provided and one pint of beer served, 1469-1476; method of receiving complaints, 1479-1482; soldiers informed how profits spent, 1483-1484, 1508.

How supplies for sergeants' mess obtained, 1498-1505, 1525-1526; locked till not used, 1508; its disadvantages, 1509-1512; ticket system an advantage in dry canteen, 1508; would substitute payments through accounts for cash payments, 1514-1518.

Willson, Major-General Mildmay, C.B. (Analysis of his Evidence.)

Favours central War Office organisation, with regimental committee to examine complaints, 7061.

Under old regimental system, owing to ignorance of officers, inferior supplies often sent in, 7064; no doubt canteen stewards received commissions, 7065-7066.

Foundation of Canteen and Mess Society as a remedy, 7067; principle should be recognised by Government, 7071, 7077-7078.

Government inspection of goods should take place at central dépôt, 7071-7075, 7085-7087.

Favours locked till in sergeants' mess, 7079-6081; against system of credit, 7082-7083.

Wilson, Lieut.-Colonel H., Rifle Brigade. (Analysis of his Evidence.)

Regimental system takes officers and soldiers from duties, 648-651; favours combination of contract and regimental systems, 631, 632.

Young soldiers drink less beer, and consequently profits diminish, 656, 674.

Want of proper buildings as a rule prevents arrangements for getting men more into institute than into wet canteen, and into places where they could have beer with supper, 626, 652-655.

For financial reasons, and as not employing soldiers, favours tenant system, but it is distinctly in interest of tenant (presuming he is a brewer) to push sale of beer, 627; therefore regimental system preferable, 630.

Sale of beer undesirable, but its profits very necessary, 627.

Almost every soldier thinks officers make money out of canteens, 633.

Wood, General Sir H. Evelyn, V.C., G.C.B., G.C.M.G. (Commanding 2nd Army Corps). (Analysis of his Evidence.)

Describes his method of working canteen at Colchester, and results, 3002; rule established for selection of beer, 3003; Army less drunken in last few years, 3003, 3030-3033; favours soldiers having one pint of beer with suppers in recreation room, 3009.

Favours district contract system with tenant management, 3011; owing to seeing a sergeant-major under regimental system give up position to be canteen steward, 3011, 3037; whilst under tenant system there must be pushing of drink, 3011; form of contract handed in, 3015.

This system gives monopoly to contractor in each district, 3018; advantage to soldier from it, 3021; competition ensured, 3026, 3034, 3053; does not know of co-operative wholesale movement, 3027-3029.

Tenant should retail beer and hand fixed rebate to General Officer commanding district, 3039-3045; penal clause against pushing sale, 3046.

Sergeants' messes should be run on same principle as canteens, 3048.

Is against central War Office organisation, favouring decentralisation, 3051; attempted to assist Canteen and Mess Co-operative Society when it started, 3051; is against wholesale association offering to supply goods and requiring no profit except percentage on working capital, 3052.

Wynne, Sergeant-Major Charles, Argyll and Sutherland Highlanders. (Analysis of his Evidence.)

8th Provisional Battalion, stationed at Belfast, 1145.

Dry and wet canteens at Belfast let to two local firms, 1147-1152.

Profits under tenant system one-third of those under regimental system, 1154-1163; while groceries are much dearer, 1153.

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Wynne, Sergeant-Major Charles, Argyll and Sutherland Highlands. (Analysis of his Evidence)—*continued.*

Favours neither, but a Government system, 1164-1165; under which institutes should be permanent in each barracks, 1166; supervised by local committee, 1168; buildings should be improved, 1176-1178; perishables might be bought locally, 1187-1188; the same system should be applied to sergeants' messes, 1190-1193.

Suppers should be served in barracks, 1195-1201.

Beer bought by contract made by board of officers, 1216; the selection being made by the men, 1217.
